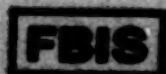


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**10 March 1980**

# **West Europe Report**

**No. 1551**



**FOREIGN BROADCAST INFORMATION SERVICE**

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10 March 1980

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No. 1551

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## DIVERGENCE OF SOVIET DIPLOMACY, EUROCOMMUNIST FOREIGN POLICY

Paris LE MONDE in French 1 Feb 80 p 2

[Article by National Political Science Foundation researcher Lilly Marcou: "Eurocommunism and Soviet Diplomacy"]

[Text] Since the Sixth Congress of the Communist International in 1928, it has been common to identify the Communist parties totally with Soviet foreign policy. The famous Theses on the struggle against imperialist warfare and the task of the Communists raise to the highest importance the defense of the USSR as a besieged city around which all the CP's must mount guard. War and cold war have made this historical premise into a definitive axiom; fidelity to and unconditional support of the USSR became the "touchstone" of proletarian internationalism, according to the formula of Georges Dimitrov, who attracted a following.

This attitude was a constant, linked to a whole section of the history of the Communist movement as structured by the International and perpetuated by the Cominform. As of 1956, though, with the 20th Congress of the CPSU and the events that shook the post-Stalin Communist world--the Polish and Hungarian revolts, the second conflict with Yugoslavia, the first friction with the Chinese and the Albanians--some precursory signs foretold the end of unconditionality. The vast majority of the CP's maintained solidarity with the USSR, but on different positions that were later to engender a great many divergences.

These differences and these divergences engendered a process of disorganization of the movement, ideological mutations and interparty conflicts. It was the crisis of world Communism, in which Eurocommunism had its origins. But a last thread from the old monolithic web persisted--that is, the identity of views between Soviet diplomacy and the foreign policy of the Communist parties.

But during the 1960's, certain Communist parties--the Italian one first, then the Spanish--defected from what had seemed to be an immutable rule.

The Italian CP, which has a different concept of the way in which the conflict with the Yugoslavs or the Chinese has to be solved, has since 1960

been fighting constantly for total autonomy for the CP's, both in the elaboration of their own programs and in their international relations. The Italians, in the vanguard of all the innovative tendencies that traversed the movement, prefigured the evolution by a series of other parties that was to crystallize only in the 1970's.

The Spanish CP cast its first veto of Soviet diplomacy in April 1967, at the conference of the CP's of Europe held in Karlovy-Vary in Czechoslovakia. It expressed opposition to those socialist countries which, in the name of their state interests, were concerned to renew ties with Spain and were trying to soft-pedal their criticism of the Franco regime. The Spanish were at that time supported by the Italians. It was on the occasion of this conference that these two parties found a community of interests and points of convergence that later were to characterize their Eurocommunist formulations. But apart from this tie-up, the great problems of foreign policy continued to elicit the same analyses from the CP's: recognition of the borders resulting from World War II; liquidation of the military blocs and recognition of the GDR; convocation of the conference of European states; solidarity with Vietnam. In fact, this conference marked the support given by the European CP's to the Soviet proposal to organize a pan-European conference, a proposal that was to lead to the Helsinki conference. This amounted to implementing a concept of peaceful coexistence and detente in which the consolidation of the socialist countries remained the principal accomplishment, while socialist transformations in capitalist Europe dropped to second place.

#### A Bipolar World

It was during the preparation for the second pan-European conference of the CP's, between 1974 and 1976, that this view was disputed, especially by the French and Spanish CP's. For a number of parties (mainly the CPSU and its close allies), the Berlin conference was to have the same objective as the Karlovy-Vary conference: it was to be the pillar of the socialist states' policy of detente. The French CP was to be the first to react against this version of matters, and from 1974 on it challenged the diplomatic character of the following conference.

In the preceding years, other parties of capitalist Europe had argued with the CPSU on this question--particularly the Spanish CP: the report presented by Manuel Azcarate to the Central Committee of the PCE in September 1973 found fault with a certain conception of peaceful coexistence favoring detente between states with different social systems and minimizing the prospects for political and social transformations in the West.

From the platform at the Berlin conference, Georges Marchais refused on two occasions to subordinate the struggles carried on in the capitalist countries to the risks and constraints imposed by the diplomacy of detente and peaceful coexistence of the parties in power. "This peaceful coexistence cannot be in any way identified with the social and political status quo in

our country, with the dividing of the world into spheres of influence dominated by the most powerful states...." The PCF-CPSU communique signed on 10 January 1980 echoes this clause dear to the French: "Thus, the strengthening of peaceful coexistence, which cannot be the social and political status quo, is of the highest importance." This statement may seem anodyne; nevertheless, the French scored a point against the Soviet concepts of peaceful coexistence. Concretely, this meant that when election time came around next, the Soviet ambassador did not pay a visit to the president of the republic.

With the exception of a few specific cases, the broad outlines of the world strategy of the CP's remain in accordance with Soviet diplomacy. Since the famous Jdanov report of September 1947, issued on the occasion of the creation of the Cominform, the Communist world (except for the Chinese, who reason on the basis of their theory of the three worlds) has based itself on the idea of a bipolar world. Even though the socialist camp has gone through several definitions during this era, the vision of the world remains the same: the socialist camp progresses, the imperialist camp regresses. Whence the stability of the analyses relating to the conditions of peace, of disarmament, of security in Europe and of the evolution of the Third World.

But reference to proletarian internationalism, as a concept, disappeared from the final document of the Berlin conference (June 1976) and from the speech of the Eurocommunist parties. The substitution of this formula by that of "internationalist solidarity" signifies an extension of the notion of solidarity and a questioning of the bond of allegiance and support which the CP's had until then maintained with the CPSU and the socialist camp. Jean Kanapa was to explain the causes of this mutation, as regards the PCF, in these words: "It has appeared to us that the definition given to it by a number of parties puts proletarian internationalism under a burden of ambiguity to which we cannot accomodate ourselves. In their interpretation, the touchstone of proletarian internationalism is unconditional defense of everything that the Soviet Union does and of everything that is done in the Soviet Union. The necessity of making, for decades, every effort of solidarity with the first socialist state in history, a state that had to face a mortal threat from world reaction, was a duty in which we did not fail. Our solidarity was even so total, so trusting, that we were led to approve of acts which subsequently proved to be crimes. Fortunately, the Soviet Union is no longer a besieged fortress today, even if the hostility which imperialism vows against it is very real. Therefore, internationalism henceforth requires an equal solidarity with all those struggling throughout the world for peace, social progress, democracy, socialism."\*

In the same sense and at about the same time, Enrico Berlinguer specified that the PCI opted for Italy's remaining in NATO, and had decided on a pol-

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\* Jean Kanapa, "The International Communist Movement Yesterday and Today," in FRANCE NOUVELLE, 12 December 1977.



icy line that was neither anti-American nor anti-Soviet. Santiago Carrillo stated: "Our objective is a Europe independent of the USSR and of the United States, a Europe of the peoples, oriented toward socialism."

#### Retrenchment

The explosion of wars in the Third World has given rise to a great many analyses by the Eurocommunist parties. They unanimously support the Cuban intervention in Angola; they condemn the war in Eritrea, while the events in Asia produce contradictory positions. While the Spanish censure the Vietnamese intervention in Cambodia, the Italians disapprove of it with some nuances, and the French firmly support it. But just the Soviet intervention in Afghanistan is going to lead to real splits between the Eurocommunist parties.

But while all these aspects do not invalidate the fact of an evolution and change on the part of certain CP's (including the PCF), they do raise again the problem of the nature of the relations that they maintain with the USSR and their impact on national public opinion. In the view of many observers, Eurocommunism is defined solely on the basis of a given party's position toward the "fatherland of socialism"--indeed, in function of its degree of rupture with it. This angle of approach is too narrow.

Eurocommunism, which has always refused to present itself as a new model or a new pole of the Communist movement, does not carry within it any potentiality for rupture or schism with the USSR and its allies. Refusal to perpetuate the existing model, to be sure; right to criticize this model, to be sure; the end of unconditional support of this model, to be sure; but not schism from it. In varying degrees, the Eurocommunist parties remain attached to the USSR, even if each of them maintains its own special relations with it, punctuated by high points and low points.

All these considerations raise the big question of the PCF's return to the unconditionality of not long ago. It has undergone a certain change since 1976. The things achieved from this change are not being challenged; the communique of 10 January ratifies them when it confirms "divergence" as a real and constant datum of PCF-CPSU relations. But even though no one disputes the USSR's major interests of state in Afghanistan, even though some fundamental political stakes are now on the table in this zone, which has become the most explosive on the globe, even though world Communism is more than even involved in this planetary-scale crisis, nothing explains the positions--their substance and their form--taken by the party's leadership after the Moscow meeting. Even if the initiates can decode a communique that is far too elliptical to enlighten a reader not well-informed, the external signs of caricatural behavior are doing harm to years of evolution and work. While this attitude does not, to be sure, signify "re-Stalinization" or "satellization," it is far from marking the "emergence from the fortress" to which Louis Althusser called the party in April 1978. It is retrenchment, and for an indefinite time.

FRENCH, SPANISH LABOR UNION OFFICIALS MEET, ISSUE COMMUNIQUE

Paris L'HUMANITE in French 1 Feb 80 p 9

[Communique issued on 31 January by CGT and Workers Commissions of Spain]

[Text] Delegations from the CGT and the Workers Commissions of Spain, headed by Georges Seguy and Marcelino Camacho respectively, just concluded a meeting in Paris at which they exchanged "information and views on the economic and social situation in their country, Europe and the world." The communique adopted following their talks reads as follows:

Based on their respective analyses, of the Common Market and its evolution in particular, the Workers Commissions of Spain and the CGT wish to express their common determination to transcend any differences in views on this subject in order to seek a more effective coordination of their action against the strategy of the transnational companies. Such coordination must be effective in the social and economic domains and in the area of trade union rights. It must extend to all problems of common interest in countries belonging to the EEC.

Within the European context, the two trade union confederations, the most representative groups in their countries, reaffirm their determination to join the European Trade Union Confederation.

By accepting them, this organization would become more representative and more effective in supporting the interests of European workers as a whole.

The CGT and the Workers Commissions of Spain exchanged views on NATO's decision to install more nuclear missiles in West Europe. This initiative accelerates the arms race in Europe, increases international tension and brings heavy threats to world peace. It entails exorbitant expenditures prejudicial to national economies and the people's needs. It is therefore contrary to the collective treaty on cooperation and security initialed by all the European nations and the Helsinki agreement signed by the United States in August 1975, which should be confirmed and extended at the Madrid conference in the fall of 1980.

Furthermore, conscious of the danger represented by the increase in international tension and the attempts to reestablish the cold war based on the strengthening of military blocs, they intend to oppose this dangerous escalation by acting to restore a climate of detente, peaceful coexistence, peace and friendship between nations.

The communique also evokes other aspects of the activities and perspectives of the two trade union confederations, particularly problems in the Mediterranean region.

Georges Seguy and Marcelino Camacho held a press conference at which they responded to the different questions put to them. When questioned about events in Afghanistan, Marcelino Camacho said that the Executive Committee of the Workers Commissions would examine the question at its next meeting on 11-12 February.

11,464

CSO: 3100

## FINLAND APPLAUDS VOLVO CHIEF'S NORDIC INDUSTRY PROPOSAL

Stockholm DAGENS NYHETER in Swedish 14 Jan 80 p 34

[Article by Tore Hognas: "Gyllenhammar the Foremost Champion of Nordism"]

[Text] Helsinki, Sunday--The proposal for expanded and more efficient economic cooperation in the Nordic countries is in general very positively received in Finland. In the debate Volvo chief Pehr G. Gyllenhammar is described as the foremost champion of Nordism.

Comments have been favorable on Gyllenhammar's proposal for a political-industrial council and a Nordic industrial foundation capable of functioning. To be sure, some remember the Nordek project which failed. But this no longer needs to prevent the Nordic countries from trying to unify, without too much fuss, various laws which deal with the establishment of business, taxes and forms of enterprise.

The HUFVUDSTADSBLADET greets Gyllenhammar's proposal with satisfaction and says there is no doubt that he is on the right track. Both politicians and company leaders would be connected with the same levels of authority which would thus also be able to actually accomplish something.

The Swedish conglomerate chief firmly believes in the Nordic countries despite the setback Volvo experienced in the Norway affair. But now it looks as if Volvo may get an oil agreement despite the earlier setbacks.

The newspaper points out that Volvo's cooperation with Finland has constantly improved. Cooperation with Valmet for forest tractors must be regarded as a favorable expression of the practical Nordism called for by Gyllenhammar.

If the Nordic industry intends to maintain its positions under the tough competitive conditions of the 1980's and if possible improve them, it is necessary to have cooperation across the Nordic borders, the newspaper believes.

National egoism will scarcely become profitable simply because resources are limited and halt the expansion of otherwise profitable projects.

11949

CSO: 3109



## DENKTAS SAYS KYPRIANOU STATEMENT 'INCOMPATIBLE WITH REALITIES'

TA251846 Bayrak Radio [clandestine] in Turkish to Cyprus 1530 GMT  
25 Feb 80 TA

[Text] President Rauf Denktas said that Cyprus problem can be solved if the two founding partners of the Cypriot state reconcile and reestablish this partnership. Denktas was replying to a statement by Greek Cypriot community leader Kyprianou that the impossible should be achieved through a continuous struggle and that a division [of Cyprus] was unacceptable.

Denktas said that this statement was incompatible with the realities and that so long as the Cyprus problem was portrayed as one of occupation and expansionism the doors to a conciliation would be kept closed by the Greek Cypriots. Denktas noted that the Cyprus problem was the result of 11 years of armed attacks launched by the Greek Cypriot partner against the Turkish Cypriot partner in a bid to deprive the latter of its rights, freedoms and partnership status despite the 1960 agreements. Pointing out that Kyprianou does not have the right to secure Turkish Cypriot rights posing as the Cyprus Government which he believes he has usurped, Denktas added that the Turkish Cypriot community defended its rights and partnership status at the cost of its lives and that it will continue to do so until its rights and status are confirmed through agreements.

Noting that the path to the solution of the Cyprus problem can be opened if Kyprianou recognizes the rights and partnership status of the Turkish Cypriot community, Denktas said that the negotiations can be resumed between sovereign communities and two autonomous administrations. He said: the independence of Cyprus cannot exist without national guarantees. The Turkish Cypriot administration in the north and the Greek Cypriot administration in the south can decide on these guarantees when the time is ripe. Denktas said that it is high time that the mentality of considering the guaranteed coexistence of the Turkish and Greek Cypriot communities in the north and south respectively as a partition of the island be abandoned. Denktas added: They are responsible for the current situation. If they want to solve the problem they should start seeing the realities.

CSO: 4907

## GOVERNMENT ECONOMIC REPORT FOR 1980 IS OPTIMISTIC

Munich SUEDEUTSCHE ZEITUNG in German 31 Jan 80 p 25

[Article by Hans D. Barbier: "Foreign Trade Becomes Growth Support Factor"]

[Text] Bonn, 30 Jan—Our foreign trade, which until a few days ago had been assessed to be the Number One risk on the road to economic growth, is now stated to be the supporting pillar for our economy in 1980. In anticipation of rising defense expenditures by the West and of demand-stimulating measures for the benefit of the nonaligned Third World countries, enterprises are preparing themselves for a continued vigorously gushing stream of orders. They consequently are stocking up supplies and showing confidence in their investment plans. This, at any rate, is the way it is seen by the Federal Government, which sounds an even more optimistic note in its annual economic report: the growth rate is now set at "a good 2.5 percent," and this is intended to make it clear that even higher expectations are quite possible.

It is probable that the Federal Government only recognized this change of mood immediately prior to the passing of the annual economic report. According to the explanations given by State Secretary of the Ministry of Economic Affairs Otto Schlecht this is, for the time being, "a business-trend feeling which is not as yet reflected in the business-cycle calculation, but the existence of which can be felt clearly." After the worldwide positive change in expectations (according to Schlecht, "no one in the United States now speaks of recession any more"), the international economic background of the numerical tabulation on the development in the FRG (see Table, below) now appears as follows:

Instead of a zero growth rate, a real 1-percent expansion rate for the area of the countries of the OECD can now be expected. The Japanese expect a real growth rate of 4 percent. In the whole of West Europe, expectations

are more optimistic than they were immediately after the OPEC conference at Caracas. It is felt that world trade is going to experience a real 3-percent expansion rate. The Federal Government figures that the German economy will be in a position to get more than proportional share of this rising volume of world trade. The real foreign exchange rate (i.e. the exchange rate adjusted by taking into account the inflation-rate difference) is going to show a trend toward a negligible devaluation of the DM, another abrupt oil price increase is not in view, and it is possible that exports will increase by a real 5 percent.

Economic Target Values for 1980  
(The figures shown for 1979 are interim actual values)

BASIC STATISTICS	1980	1979
Real Growth	at least 2.5	4.4
Inflation (prices to consumers)	about 4.5	4.1
Unemployment rate	3.5 to 4.0	3.8
Savings Rate	12.5	13.1
GROSS NATIONAL PRODUCT CREATION		
Gainfully Employed Persons	+0.5	+1.3
Hours of work	-0.75	-0.6
GROSS NATIONAL PRODUCT UTILIZATION		
Private Consumption	+6.5 to 7.5	+7.1
Government consumption	+6.5 to 7.5	+7.7
Investments	+12 to 13	+15.2
Public Investments	+6 to 7	+15.3
Inventory changes (billion DM)	+16 to 20	+26.1
External contribution (billion DM)	+0 to 4	+14.2
GROSS NATIONAL PRODUCT DISTRIBUTION		
Gross income from entrepreneur activities and property sources	+4 to 6	+9.4
Gross income from employment	+ about 7	+7.2
Gross wage and salary amount per employed person	+ about 6.5	+5.4
Armament Expenditures		

In the government's opinion, the increased armament expenditures of the Alliance, the additional aid for Third World countries and the generally

favorable export prospects will lead to a real investment increase of approximately 7.5 percent. Although this is less than the 9.5 percent reached in the preceding year, the upward trend experienced in the investment sphere since 1976 is continuing. However, according to Schlecht, the prerequisite for a favorable investment climate is that "the wage agreements will stay on top of the rung." The government hopes and believes that this will be so.

According to the government, private consumption is to be applied at least as a supporting element, if not as an auxiliary motor, for the economic growth on which it has set its sights. The notable target values for employee income--with reference to distribution, amount and wage rate--as well as the assumption that there will be a slight reduction in the savings rate, are to result in the presumed consumption increase. The "foreign trade impulse--domestic investments--employee income and profits" chain is then to be closed via the consumption detour by the investments which, in turn, are to be used as support for growth and as an essential employment policy factor. The estimated 3.5 to 4 percent unemployment rate signifies a stagnation of the number of unemployed persons at an approximate figure of 900,000. In this connection one must take into account the fact that, for demographic reasons, the number of gainfully employed persons this year is going to increase by 100,000 to 200,000 persons, with the result that the successes of an employment policy depending on private investments will be distorted by the seeming constancy of unemployment.

The government itself refers to the holding of the inflation rate to 4.5 as an ambitious objective. And, actually, that is what it is if one takes into consideration the fact that the stabilization policy enters the new year with an overhang of 2.5 percent; that means that if, effective immediately the price level were no longer to rise, the average price level of 1980 would lie 2.5 percent above the average 1979 price level. A considerable portion of the way leading toward the 4.5 target figure has thus already been traveled before the actual 1980 price increases have begun.

The extent to which the "slight increase in the wage rate" will prevail in the economic process will also depend on the realization of the ambitious price objective. Behind the income figures of the tabulation chart, there is hidden an increase of the (adjusted) wage rate from 68.5 percent to barely 69 percent.

8272  
CSO: 3103



IMPORT PRICES FOR NATURAL GAS TO JUMP

Hamburg DER SPIEGEL in German 18 Feb 80 p 32

[Text] By April next year drastically higher demands by the supplier countries will result in an 80 percent rise in the price of gas to the final consumer.

In Moscow Klaus Liesen, head of Essen Ruhrgas AG, negotiated for 3 hours with regard to gas prices and delivery contracts. Upon leaving the offices of V/O S yuzgazeksport he was visibly depressed.

The German had failed to dissuade his negotiating partners from their hard line: The Soviets definitely intend to abrogate the contracts they concluded with Essen Ruhrgas in the early 1970's concerning the supply of 11 billion cubic meters of natural gas. The contracts, originally designed to run through the year 2000, are to lose their validity now.

In one fell swoop the Soviets will raise their gas prices to the level of oil prices which are about 33 percent higher. For the current year Ruhrgas --by far the largest gas corporation in Europe--is to pay a surcharge.

The second Soviet demand: From now on every raise in oil prices dictated by the OPEC countries is to be applicable to natural gas prices at the same time and in the same amount.

This will have serious consequences for millions of German renters and home owners, many of whom have just spent a lot of money to convert their furnaces to natural gas: They must assume that, by April of next year, gas will cost 80 percent more.

Up to now consumers operating gas fueled furnaces and cookers had got off lightly by comparison to the jump in prices for other types of energy.

Gas vendors used to allow a year to elapse before raising their prices in line with oil producers. Moreover, on the average they asked only 70 percent of the raise imposed by OPEC.

Admittedly, the gas companies kept their demands moderate only because they had negotiated favorable contracts with their three supplier countries. Ruhrgas AG contracts with the suppliers obligated the latter only modestly to raise gas prices.

Hardly were the Soviet demands reported in the corporate headquarters of the West European gas producers when the Dutch and the Norwegians--the two other suppliers of gas to Germany--began to move also.

The Dutch producers made exactly the same demands as Moscow. Since the mid-1960's they have annually been pumping about 20 billion cubic meters of natural gas from Groningen to the German network.

The Norwegians, on the other hand, kept their price demands on a relatively modest scale. They supply some 8 billion cubic meters per annum to Emden from their Ekofisk field in the North Sea. However, their gas prices were already about 20 percent higher than those of the other suppliers.

Ruhrgas reacted promptly. Though the new terms are by no means completely finalized, Ruhrgas chief Liesen shocked his customers with the heaviest supplementary demand ever presented by his firm.

In some 70 identically worded letters dated 31 January the energy manager on the Ruhr asked his customers "for their understanding": Gas prices had "lagged drastically behind the price level governing the market for heating oil."

City owned gas works and industrial customers are now to pay some 35 percent more to the Essen gas giant, with the rise happening in three stages ending 1 April 1981.

There will also be another extra charge: On 1 April, in compliance with the provisions of existing contracts, Ruhrgas will have to pay another roughly 20 percent more to its suppliers, in approximation to the oil price increases of earlier years.

This surcharge will again be due in April 1981, because at that time it will be necessary to adjust gas prices to the OPEC raises expected in 1980.

It is obvious what this will mean for the consumer. Both the special surcharge and the annual contractual extra charges will be fully passed on. Consequently there will be hardly any difference between prices of natural gas and heating oil.

Munich Mayor Winfried Zehetmeier whose city has lately been confounded by particularly severe price increases still hopes that the consumers may be saved from this price explosion. He thinks "we must appeal to the Soviets to observe their contract obligations."

## BUNDESBANK OFFICIAL DEFENDS TIGHT MONEY POLICY

Duesseldorf WIRTSCHAFTSWOCHE in German 1 Feb 80 pp 77-80

[Report of lecture by Dr Helmut Schlesinger, vice president of the Deutsche Bundesbank, to the stock exchange forum 1980]

[Excerpt] In 1979 the German oil accounts rose by about DM16 billion--better than 1 percent of the gross national product. Going by current prices, we must expect another jump, nearly as large, in 1980. Total oil expenditure in the Federal Republic of Germany would therefore be likely to amount to DM60-65 billion, that is nearly 4.5 percent of the gross national product compared to 2.5 percent in 1978. For the first time in 15 years the 1979 current account showed a deficit of the magnitude of DM9 billion. Compared to a surplus of DM18 billion the previous year, this amounts to a deterioration of DM27 billion within only 1 year. About 60 percent of this reversal are due to rising oil costs, the remainder to the economic differential between the Federal Republic and its neighbors and the delayed effects of the D-mark revaluation of past years. By comparison to the first oil crisis in 1974, when oil price increases were of a similar order but the surplus in the current account kept rising substantially, the dimension of the deterioration is quite surprising. Admittedly, this time the Federal Republic finds itself in a fundamentally different economic situation.

While in 1974 German industrial output began to decline and German imports other than oil ceased to grow, the remainder of the world was still ruled by an undue and inflationary upturn. The Federal Republic had enough resources then to service this strong foreign demand. The 1979 situation was entirely different. Though German exports expanded at a greater rate than world trade, imports rose even faster due to the demand pull exerted by the boom in the Federal Republic.

Accordingly the permanent rise in the import quota resulting from the oil crisis was not counteracted this time by correcting movements on the export side and with respect to imports not involving oil. In other words: In 1974 the higher costs of oil were quickly offset by rising exports; this time we are still awaiting the real transfer of resources. To simplify it

even more: So far we are paying for the more expensive costs not by increased exports but by using our reserves of foreign exchange and by net borrowing abroad. This will apply even more to 1980 when, according to various forecasts, we must expect a deficit in the current account ranging from DM17 billion to more than DM20 billion.

For the time being there is no need to dramatize the situation. That holds true especially with regard to the financial aspect of the problem. As in 1979 the deficit in the current account may well be financed from our large foreign exchange reserves. Furthermore the Federal Republic will incur more debts abroad or reduce its claims on other countries.

In the long run, however, we must ask ourselves in how far and for how long a country of the importance of the Federal Republic should have its current account in deficit. Here I am not merely thinking of the entirely justified claim that a country with the high standard of living enjoyed by the Federal Republic must on balance make available goods and services to the world, especially the developing countries, in other words show a certain current account surplus--in any case once the oil countries surpluses begin to decline. That, however, may be a target currently located in the distant future. At the same time, though, we must assume that a reduction in the current account deficit is indispensable also in order to maintain the exchange rate of the D-mark--if possible not only in nominal but also in real terms. By this means we would equalize the discrepancy between the smaller price increase here and the higher rate of inflation in the world as a whole. If we fail in this endeavor, it must be feared that our inflation would tend to move in the direction of the higher rates in other countries. In my opinion this development must be prevented. To achieve this, the D-mark must continue to be a strong currency.

The foreign trade burden arising from the recent jump in oil prices and the changed basic situation of our current account make for a new climate with respect to Bundesbank monetary policy in 1980. Some observers, especially critics of the present line of the bank of issue, are exercised primarily by the increased risks to the economy. It is feared that the generally expected slow-down in the growth of world trade will have adverse effects on employment in the Federal Republic; at the same time the higher costs of energy to private consumers are likely to tend in the same direction. However, the outlook for 1980 also registers expansive factors at home: The strong demand for investment goods and buildings as well as the declining savings rate.

Incidentally, it would be quite shortsighted from the economic aspect for us to make the effort of equalizing any oil-related decline in demand by traditional short-term expansionary measures. In future a growing part of our production potential will have to be made available for increased oil conservation investments and exports. At the same time the necessity to convert some production in response to higher energy prices means that some of our industrial capital stock will no longer be useable. These basic changes in



our circumstances require a certain decline in the growth of domestic expenditure; we cannot avoid this by expanding demand.

From the aspect of monetary policy these business and growth considerations are currently overshadowed by the further deterioration in price levels, which threatens to proceed directly from the changed oil and raw material situation.

In this context the Bundesbank is often told that it is wrong to use tight money policies to try and brake or even reverse the rise in oil prices. Obviously we cannot correct the level of import prices for oil, nor do we even intend to attempt influencing this. Still, monetary policy must help prevent the new foreign trade-related cost pull from resulting in the permanent speed-up of domestic price and cost increases. It also means that we must do our best to prevent a profit inflation. As far as monetary policy is concerned, it follows quite generally that the Bundesbank must persist in keeping money tight to prevent the growth of inflation mentality and strengthen the co-responsibility for stability of all those involved in the life of the economy.

The Bundesbank knows that it is in full agreement with the Federal Government on not making available additional money for inflationary processes. Just lately the Federal Chancellor again emphasized to the Bundestag that inflation does not provide jobs; in the long run it merely harms economic growth.

The Bundesbank has expressed its monetary guideline for the coming year by publishing the money supply target for 1980. According to this the growth of the central bank money supply in the period from the fourth quarter of 1979 to the fourth quarter of 1980 is not to exceed 5-8 percent. As long as the market is strong, the inflationary tendency noticeable and the exchange rate not especially firm, everything advocates the maintenance of monetary growth within the middle of this target range--if not within the lower half. In December and January the trend of growth in the money supply was held within 5-6 percent; in other words, as expected, the temporary lower growth from July to October has proved to be no more than the correction of the exceptionally strong expansion in the first half of 1979.

At this stage neither the overall economic constellation nor the latest monetary development appear to recommend a fundamental change in the course of our monetary policy. In real terms this means that we must continue to hold tight the reins on liquidity by which we have been guiding the domestic money market since last fall, and this is reflected in current money market rates. Any other attitude would serve to signal a change in the direction of our policy to the financial markets and institutions, something we could not possibly allow at the present time--whether from the aspect of our internal situation nor from that of the changed conditions in our foreign trade. At the same time this means that we are making available the central bank money required for the growth of the economy while the margin for price increases remains narrow. This also provides a basis for confidence

in this policy by which we assume a certain obligation toward our social partners as well: Handling our monetary policy in such a way as to ensure that stability-oriented decisions on prices and wages do not fail at a later date to reward such confidence.

As far as the capital market is concerned this line means that, from the standpoint of the bank of issue, the banks can expect only a suitably tight liquidity. Beyond that market factors will be decisive. At the turn of the year we noted a slight weakening in the market due to increased price hazards, weaker foreign demand for German fixed-interest securities and some general uncertainty which to some extent was politically related. This weakening may cease when the situation becomes clearer. On the other hand public and private demand for capital will continue strong, and we do not yet know whether private savings will maintain last year's levels.

I would certainly not wish to sound unduly optimistic as long as the outlook remains obscure. In the Federal Republic and elsewhere it has gradually come to be appreciated that the bank of issue normally does not have much scope in the narrower meaning of the term, and that it should really accept the result of market factors even if this may, in some circumstances, consist in a rather odd interest structure such as we are seeing now when interest rates are somewhat higher for short term than for long term loans. In the long run a policy consistently oriented to stabilization represents the best safeguard for the workability of credit and capital markets. The more resolute our handling of the tasks ahead of us, the shorter will be the period of contraction which will confront us for some time to come.

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**SOLDIERS' ASSOCIATION HEAD DISCUSSES CONDITION OF BUNDESWEHR**

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 11 Feb 80 p 7

[Report of interview with Colonel Volland, chairman of the German Bundeswehr Association by Adelbert Weinstein]

[Text] The official policy of the German Bundeswehr Association (DBW) observes the following military principles, considering them inviolable: "1. The principle of command and obedience, 2. the indivisibility of military leadership responsibility, 3. the assignment of the armed forces, and 4. the superior's duty to look after his men." That statement comes from Colonel Volland, chairman of the DBW, and was made in an interview granted the FRANKFURTER ALLGEMEINE ZEITUNG. "Consequently the DBW may expect confidence to be reposed in it; the political leadership's confidence in its work which also helps guarantee the combat readiness of the armed forces."

The association duly champions the soldiers "satisfaction in their profession." "Only a soldier ready and able to fight is a combat ready soldier." The organization, representing the interests of all the armed forces, counts 250,000 members. Association policy is based on opinions crystallizing from the deliberations of democratically elected bodies.

General meetings are convened every 4 years. They decide the association program and elect the federal executive. District conferences at Land level meet within the scope of seminars organized by the association. They and meetings of technical and status groups result in the emergence of views from the membership.

**Dangerous Reaction**

Soldiers are subject to the special catalog of duties of the military law and the principle of command and obedience, said Colonel Volland: "Our profession is characterized by particular features related to our service. We are frequently transferred. We have special age limits. Our service must often be performed in remote locations, at inconvenient hours, in difficult conditions. The member of the armed forces therefore needs a counterbalance. He must be able to rely on the fulfillment of the care and

welfare duty by his superior and overlord. This confidential relationship to the overlord, however, has lately been subjected to much stress.

Association policy requires the chairman and the executive to go to the public whenever it is necessary to champion the interests of the armed forces. "Occasionally the DBWV has been accused of obduracy and rough language." In this context it must be noted that a general tendency to the use of crude language in the political sphere has long been apparent. "The inflation of strong political language has affected reporting in newspapers, on radio and television. As a consequence receptiveness for semitones, for good but quietly and political produced factual arguments has largely been stunted in political life."

As a result we see a dangerous reaction: Party politicians have become so accustomed to the style they practice among themselves that they rarely take seriously the expression of views and technical contributions from third parties unless these are accompanied by the appropriate theatrical thunder.

"The Bundeswehr Association was bound to draw the proper conclusion: When facts and sober commitment alone fail to produce the desired effect, heavy guns must be brought to bear." In any case, the federal executive had been authorized by the 10th general meeting of 1977 to adopt extraordinary measures whenever moderate proposals failed to find the necessary echo.

"Let me now return to the necessary confidential relation between soldier and overlord I mentioned earlier," said Volland. To begin with he used the example of working hours to show how the relationship should not develop: "Soldiers are the only group in our population, whose working hours are not regulated. Nor are they paid for overtime. The DBWV does not advocate a 40-hour week for the armed forces. That is not compatible with their assignment or training." The matter is different, though, when it is a question of overtime payments:

"According to reports by the Defense Ministry the armed forces work very long hours: 77 percent of all soldiers are on duty for more than 50 hours per week, about 26 percent for more than 60 hours. In certain units of the air force 70 hours and more have been recorded." True, these hardships have been common knowledge for years. The Bundeswehr Association repeatedly expressed its concern in measured language, yet no relief was forthcoming. "Our excess burden of work became particularly irksome after the introduction of the 40-hour week in the public service, which failed to be applied to the armed forces."

At the urging of the DBWV the general staff of the armed forces began an investigation of duty hours. The result of this study disclosed a great deal of hardship suffered by soldiers and was reported to the DBWV federal executive in 1976. "But nothing further happened," although the DBWV unceasingly applied to the ministry and conducted endless talks with politicians in the hope of obtaining redress.



Only when nothing at all had been done by mid-1978 did the DEWV threaten extraordinary measures to be taken by the association unless definite decisions were to hand by the end of that year.

"Not until then did the ministry table a proposal: DM90 compensatory payments for long-term and short-term enlisted men, DM54 for conscripts whenever the hours of duty exceed 56 per week." In the meantime the Bundestag has received the corresponding draft legislation which was to be enacted retroactively to 1 January 1980. However: "The DEWV does not consider this regulation a final settlement. It appears to us no more than the beginning to a satisfactory regulation." Moreover, people assume that soldiers are already paid overtime: "That is wrong in two respects: 1. Soldiers do not know the term overtime. They have no settled hours. Furthermore the compensation mentioned above is still bogged down in parliamentary discussion."

#### New Duty Hour Regulation

Evidently the Defense Ministry had only been pushed by the association's threat of extraordinary measures to adopt a new duty hour regulation. Colonel Volland emphasized that "earlier it disregarded any initiative, despite the armed forces growing dissatisfaction with increasing working hours."

The 1980 defense budget offers another example of the need for the Bundeswehr Association to change tactics: "In 1979 politicians of all the groups represented in the Bundestag proclaimed that, after the rearmament efforts of recent years, the social concerns of the members of the armed forces would at last be taken into account: The human being as the focus in the armed forces also--that was a frequently used slogan." In May 1979 considerable improvements were provided for in the 1980 defense budget. This budget was to have been a "welfare and personnel budget." However, the budget draft adopted by the Federal Government on 4 July 1979 omitted important promised measures. Cuts had been made following talks between ministers Matthoefer and Apel." Even talks between the Bundeswehr Association and Federal Chancellor Schmidt did not bring any change. "Consequently the association felt compelled in September 1979 to publish a documented critique entitled "The Human Being as the Focus--in the Armed Forces Also?" Only after negotiations with the competent members of parliament was the Bundeswehr Association able to prevail on the government to include in the 1980 budget the improvements demanded by the armed forces.

#### Promotion Backlog

In an obvious reaction to this critique Defense Minister Apel published a current account of the social situation in the Bundeswehr on 17 December 1979. This "current account" was an attempt at justification. By issuing this "account" the minister--contrary to the facts of the matters--intended to arouse the untenable impression that members of the armed forces enjoy special privileges of a high social standard. "The Bundeswehr Association condemned this account as pursuing the policy of downplaying and detracting from the real grievances of the soldiers." Among members of the armed



forces and the association the reaction to the Defense Ministry's attitude was critical. "The association received many letters calling for a reply to the official whitewash."

One problem of the armed forces, which had resulted in considerable resentment, refers to the promotion and assignment backlog. "This is not a matter of career issues. Involved is the combat readiness of the armed forces. The senior positions in the Bundeswehr are threatened with dangerous superannuation." Other than in comparable sectors of the public service or private enterprise the age of military leaders is an important factor in their competence.

The promotion and assignment backlog has adverse effects on the motivation of the individual soldier. "Men enlist in the Bundeswehr with specific expectations which are encouraged by the recruiters." These expectations are disappointed by inadequate opportunities for promotion. "This problem will be exacerbated when, quite soon, graduates of the Bundeswehr academies are bound to be disappointed in their expectations with respect to promotion."

The Bundeswehr Association met in extraordinary session on 1 February 1980 and issued a statement on the current situation of defense and the issue of guaranteeing sufficient personnel for the armed forces. "On occasion the DBWV's authority to champion these positions has been disputed." That is a mistake. The association feels obligated to the ideal of armed democracy and the common weal. The association is prepared to accept responsibilities. "It is therefore entitled also to act as the spokesman for 1.25 million members--at the right time and in public--when it is a matter of special concerns of our defense policy."

The German Bundeswehr Association considers any military intervention directed against sovereign nations an act of aggression. It condemns the Soviet invasion of Afghanistan. The Soviet attack threatens world peace, complicates detente. It is therefore imperative to meet the Soviet challenge--especially to the United States of America--by the greatest possible (and more than verbal) solidarity of the allies. The special defense geographical situation of the Federal Republic of Germany requires increased vigilance in order to avoid any surprises. The Soviet Union must not be encouraged to try blackmail.

Colonel Volland emphasized that the German Bundeswehr deems vital the following points: "1. A 3 percent real increase in the 1980 defense budgets of all NATO countries compared to 1979, 2. the build-up of efficient weapons systems--including early warning systems--for the defense of Western Europe, 3. the speedy implementation of the NATO decision on the introduction and emplacement of nuclear medium-range rockets in the allied European nations, 4. the completion of the personnel strength of the German armed forces to at least 495,000 combat ready soldiers, 5. the guarantee of the personnel needs of the German armed forces, 6. the introduction of general conscription in all NATO countries, 7. the build-up of civil defense, 8. a convincing reservist conception."

The association advocates an increase in German armed forces personnel to at least 495,000 combat ready men because this figure is always mentioned in official statements as the actual Bundeswehr personnel. "This tends to be deceptive in regard to the real situation: In fact the Bundeswehr has only about 467,000 men permanently available in the armed forces. The remainder is accounted for by the so-called variable domain, that is men who are in some kind of training: In other words men who are not combat ready."

#### Community Conscription

Because the representatives of the German armed forces are concerned about the potential danger arising for the security of our nation from the decline in the birthrate, the association is already in favor of the adoption of preventive measures. According to cautious calculations the Bundeswehr may be short of about 100,000 young men from 1990 on. The conscript army of the 1990's would therefore have to rely on the following plans: "1. A review of deferments; 2. the introduction of 'European conscription' in the meaning of personnel equalization between the EEC and NATO countries; 3. the voluntary service of women in the armed forces; 4. the involvement in conscription of young aliens permanently resident in the Federal Republic and who hail from allied countries; 5. the improvement of the attraction of service in the armed forces, especially for career personnel; 6. an extension of the basic term of conscription.

Colonel Volland concluded his interview by saying that the topic of Community conscription had been explained in detail in a position paper issued by the Bundeswehr Association. "We have made it quite clear that, in our view, there can be no objections to the use of women volunteers in the armed forces, for example in telecommunications and medical services. Many women have themselves expressed the wish to serve."

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## KPD SAID TO BE THREATENED WITH DISINTEGRATION

Hamburg DER SPIEGEL in German 18 Feb 80 pp 41-46

[Text] Disintegration is threatening the splinter party KPD, one of the most violent K groups: Members are falling away, money has stopped coming in.

The enemy was to be found in the East as well as the West. In the capitalist Federal Republic only "armed popular war" against the "ruling bourgeoisie" would do, and at the international level the Communist Party of Germany (KPD) considered its enemy the "socialimperialist superpower" Soviet Union and its agents.

As of now the cadres of the "workers party" are mainly fighting among themselves. They admit that "our effort to build up the party of the working class has failed." To cite dissenting comrades this is due not only to "the leadership core of the party" but—for the first time—is said to be caused also by "the incapacity to appreciate social movements and their political reflection."

This rueful appreciation in the central organ ROTE FAHNE (5,000 copies printed) agitates a late offspring of the Apo [extra-parliamentary opposition] movement which, though never having more than 1,000 members, exercised the greatest attraction for the extreme left in the country: At the last Bundestag election (1976) the party obtained most second votes of all K [communist] groups: 22,714.

Six years earlier Christian Semler and Juergen Horlemann, scions of grand bourgeois families and former spokesmen of the SDS [German Socialist Student Association] had founded the group. And since, after the 1956 ban on the old KPD by the Federal Constitutional Court, the DKP was repeating "all the old mistakes," the group gaily considered itself the rightful heir of the party of Rosa Luxemburg and Ernst Thaelmann.

Ever since four "advance guards of the working class" have been competing for the correct interpretation of Marxism-Leninism:

- Domiciled in Frankfurt is the pro-Chinese Communist Association of West Germany (KBW). Its entrepreneurial group Kuehl KG [limited partnership] has by now earned a fortune running in the millions--on the back of its followers; this political sect with just under 2,500 members is currently the strongest K group.
- The Communist Party of Germany (Marxist-Leninist) (KPD/ML) with some 600 comrades takes its orientation from Albania, "the fatherland of all working people"; this splinter group led by Ernst Aust (56) has stricken all mention of Mao Tse-tung from its new party statute and criticizes its former ally China as "revisionist."
- The Communist League (KB), active mainly in Hamburg, still acknowledges the great chairman but split in two in late 1979: The executive expelled 200 followers, about a third of the membership, because "for opportunist reasons" it had become too chummy with the "Greens."
- The Communist Party of Germany, lastly, is headquartered in Cologne but divided into six regional groups. Until it lost its internal balance the party submitted to whatever line China happened to pursue.

At least in the matter of violence the KPD gained a superior status among the ideologically clashing socialists right from the start. Apo veteran Semler was already involved when, in November 1968, demonstrators fought a rock throwing battle with police in front of the Berlin district court. In the western district of Frankfurt rock throwing political agitators used a demonstration against land speculators to practice fighting with the police in preparation for "future revolutionary workers struggles."

Semler and his associates got really ambitious in April 1973: On the occasion of a visit by South Vietnamese President Nguyen Van Thieu the Maoists stormed Bonn city hall and ejected all officials. The subsequent clash with the police resulted in DM500,000 damage and more than 50 injured.

The prosecutors classified the "party of the working class" a "criminal association as per article 129 of the penal code" and had the police clear out party branch offices. Semler and Horlemann were arrested.

Upon complaint by the Maoists the Federal Court, though, judged the KPD a bona fide party which therefore enjoyed "the protection guaranteed by the constitution for political parties against interference by the state power."

Despite this official protection the party thenceforth went into a rapid decline. It suffered much ideological injury by the overthrow of the Chinese "gang of four" and the change in Peking's internal line. The offensive foreign policy of new party leader Hua Kuo-feng, the visits of Chinese CP leaders to the hated Shah in Tehran or even to capitalist Bonn--the rank and file were simply unable to swallow that.



Not even the invitation to the KPD leaders to visit China was able to make up for this fundamental irritation. The planned union with the KPD/ML--equally disenchanted with Peking--ran aground on the issue who was to be in charge after the merger.

At home the attempt failed to present the KPD as the defenders of the ecology alongside the Multicoloreds and the Greens. Though KPD activists battled in the frontline at Brokdorf and Grohnde, when environmentalists asked the Bremen KPD comrades to protest the visit of Chinese Vice Premier Fang Yi to the Esenshamm nuclear power plant, the KPD'ers stayed home: Despite the quarrel with the Peking comrades--that was going too far.

The signs of disintegration in the KPD began to be unmistakable; according to the Federal Office for the Protection of the Constitution registered membership declined from 900 to barely 400.

KPD offshoots such as the League against Imperialism, the National Vietnam Committee or Red Aid e.v. [registered association] perished from lack of personnel. At the universities the short-lived influence of the KSV [Communist Student Federation] shrank down to zero.

Much of the contraction is due to the patriarchal attitude of the leaders. A defector described the constant snooping: "They really used terror tactics. They came to the apartment to check on what I was doing. Sometimes one of them stood in front of the house to see whether I was home. They refused to allow me to take examinations."

And yet it was not only the loss of members which, early this year, led the central committee of this KPD to realize that they had "destroyed vital working and living relations of the comrades" and merely "shuffled back and forth" cadres. The KPD is also plagued by financial problems.

Last December, for example, the editorial board of the party paper ROTE FAHNE warned "readers, friends and comrades" that the weekly would appear only every second week--after the number of copies printed had declined from 15,000 to 5,000.

Soon after, at their constituent assembly, the Greens abruptly rejected the attempt of the K groups to infiltrate the environmentalist party "as autonomous blocks" (Rudolf Bahro) and thereby possibly to broaden the increasingly narrow base of the groups.

At its third party congress next spring, therefore, the KPD will be reduced to contemplating "who we are and where we are going." The ROTE FAHNE has already answered that question: "Now, when only a few hundred comrades profess allegiance to the KPD it is sadly obvious that our fantasies have out-run our potential...The only conclusion possible is to dissolve the KPD at the third party congress."

## BRIEFS

**ECONOMIC GROWTH STAGNATION--Munich--**The strong economic growth up until now in the Federal Republic threatens to stagnate during 1980 and possibly even decline, notes the IFO [Institut fuer Wirtschaftsforschung (Institute for Economic Research)] (Munich) in its latest economic prognosis. There are many indications that the basic economic goals have clearly been missed. Employment, which considerably increased in 1979, will drop again and unemployment rise. According to the institute's estimates, the number of unemployed, averaged over the year, will be about 900,000 which is higher than in 1979 (876,000). This means an unemployment rate of 3.9 percent compared with 3.8 percent last year. Because of fresh oil price increases, the currently high rate of inflation will fall only by a relatively small amount. The institute regards the main reason for this economically weak phase, which is becoming apparent, as the rise in oil prices. This situation should not, however, give rise to basic pessimism about economic development in the eighties. With a consistent policy, the challenge by the oil-producing countries should instead be seen on a longer-term basis as an opportunity for greater growth and employment. [Excerpt] [LD271344 Hamburg DPA in German 1213 GMT 27 Feb 80 LD]

CSO: 3103

## MARCHAIS ON AIMS OF PCF HUMAN RIGHTS COMMITTEE

LD271209 Paris L'HUMANITE in French 21 Feb 80 pp 3, 4 LD

[Unattributed report on 20 February press conference given by PCF Secretary General Georges Marchais: "The Defense of Human Rights and the Struggle for Freedom Is Our Ideal"]

[Text] In the presence of numerous French and foreign press, radio and television journalists in the National Assembly building yesterday Georges Marchais announced the formation of a "Committee for the Defense of Freedom and Human Rights in France and in the World," which will be chaired by the PCF secretary general. Georges Marchais stressed that this committee will make it possible to "raise to an unprecedented level" communists' action for human rights and their efforts to inform the public of violations of freedom in our country and anywhere else. The committee will publish an information bulletin. It will send representatives "to the spot" wherever human rights' violations are reported. The committee took its first step yesterday. It published a document--on which Georges Marchais commented--drawing up a "preliminary assessment of 20 years' of human rights' violations in the world." It gives a frightening and tragic list of murders and mass executions perpetrated by imperialism throughout the world. Accompanied by Reunion Communist Party Secretary General Paul Verges and several PCF leaders (Politburo members Francette Lazard, Gisele Moreau, Guy Hermier, and Pierre Juquin; Central Committee secretary Charles Fiterman; Central Committee member and deputy chief editor of L'HUMANITE Rene Andrieu; and Central Committee members Pierre Zarka and Aime Halbeher), Georges Marchais explained the reasons for this "great initiative." He contrasted the crimes of capitalism which, since it came into being, has indulged in exploitation, plundering and massacres, and in inflicting humiliation, with the PCF's fight since its foundation. Imperialism's representatives are "not qualified" to speak about human rights, "this battle belongs to us revolutionary communists." The PCF secretary general asserted: "We are fighters for happiness!"

The following is the full text of Georges Marchais' speech when introducing the committee:

Ladies and gentlemen, we have decided to call this extraordinary meeting between the PCF and the representatives of the French and international press in order to announce an important decision by our party: the creation of a "Committee for the Defense of Freedom and Human Rights in France and in the world."

The defense of freedom and human rights is the concern of our whole party, its leadership and all its members. The aim of this committee--which I will chair personally--is precisely to enable the French communists to raise their efforts to inform the public on all questions of freedom and human rights to an unprecedented level and organize action to promote these rights. While directly concerning French communists in this way, the committee's existence and activities cannot be a matter of indifference to feeling men and women who love justice and progress and, like us, are attached to respect for each human being's fundamental rights, irrespective of sex, age, nationality, race, opinions, religion or the social system in his country.

This is, therefore, a great initiative.

#### **We Are Fighters for Human Rights**

Our fight is a fight for human liberation. We want to liberate each human being from all the handicaps, obstacles and disabilities which prevent him living the full life of a woman or a man, from developing his potential and his personality. The unswerving defense of human rights and the struggle to safeguard and extend freedom is our ideal. This is the purpose of our daily struggle.

Our whole history bears witness to the fact that right from its origins capitalism has exploited, plundered and oppressed millions and millions of workers, both men and women, and that inequality has reigned and unemployment been rife. Millions of workers are treated like robots for producing profit. Inhumane working conditions exhaust, break and even kill workers. Thousands of families have their possessions seized or are evicted, as in the Middle Ages, for being unable to pay their rent or their taxes. Millions of young people and women are deprived of professional training. The vast majority of workers' children are excluded from higher education.

We are fighters for happiness. Ours is the party of the exploited, the oppressed, of all those men and women in our country facing problems, privation and anxiety. Since the PCF was formed, its representatives have been working with the workers untiringly to uphold the demands and rights of exploited people in all spheres: in industry, in the communes, in parliament and in government when they were members of a government.



We are struggling to end poverty, injustice and contempt. We are fighting with the workers to give everybody the right to work, to health, to housing, education and culture, to sport, leisure, the right to a decent existence, to raise children with a secure future, the right to travel, to live in rural districts, the right to freedom and dignity.

### **We Are Fighting for Workers' Rights**

That is why "freedom guides our steps." We want a different society, a society built for the workers by the workers themselves: We want socialism. We want a democratic, self-managing socialism in keeping with our people's tastes and aspirations--a French brand of socialism.

Since it first came into being, capitalism has written these invisible words on factory doors: "Here, you cease to be a citizen." It has made the employer into a tyrant. It violates trade union rights. It is monarchy continuing under the republic. The enterprise is the Bastille of our time.

We are fighters for workers' rights. Since the PCF was formed there has been no infringement of trade union rights and no employer repression against which it has failed to sound.

We are fighting to put an end to the employer's dictatorship in the enterprises, to enable the workers to be regarded as human beings and not as profit fodder. We are fighting for freedom of opinion, speech and trade union and political organization in the enterprise, for the absolute respect of the right to strike, for the right to the broadest possible information on all major questions regarding the workers, and for their elected representatives to be given new prerogatives and means. We are fighting to set up factory and service industry councils, for self-management.

### **[LD271211] We Are Fighters for Democracy**

Since it came into being capitalism has prevented millions of citizens from taking part in making, implementing and monitoring decisions in all spheres of political, economic and social life. It places public life under the yoke of its state and bureaucracy, opposes, erodes and even fights the power of elected representatives at all levels.

We are fighters for democracy. Since the PCF was founded it has been fighting for democracy. Better still, the PCF's strength lies in its guarantee of democracy in France. In 1939 it was necessary to issue emergency decrees, make the PCF, its press and elected representatives illegal to pave the way for reaction and defeat. In 1947, on American orders, it was necessary to oust communist ministers to be able to weaken the republic and attack freedom, to wage colonial wars and undermine national independence.

We are fighting to break the state yoke at all levels of society, to progress toward commune self-management, regional power and the decentralization of decision-making. We are struggling for the powers of all the elected assemblies—especially those in the national parliament—to be respected and extended within the framework of France. We are fighting for media liberated from control of the government and financial powers.

#### We Are Fighters for Equality

Since it came into being, capitalism has regarded the individual as insignificant. In the capitalist system profit is everything and the workers' personality does not matter. This oppression is even worse in the case of women. For them lower wages, closed doors to certain careers and professions, a double working day, segregation and contempt are added to the domination which affects all the exploited.

We are fighters for equality among all human beings. We are fighters for women's liberation. Since it was founded the PCF has been trying to end all kinds of discrimination caused or aggravated by capitalism.

We are fighting against victimization, harassment, attacks on human dignity, against racism and anti-Semitism, against incitement to hatred, violence and crime and against drugs. We are fighting to uphold the right to be different. We are fighting for the adoption of very broad judicial guarantees and, more generally, for the scrupulous observance of all individual and collective rights provided by the constitution and for a considerable extension of these rights. We are fighting to overcome inequalities between men and women.

#### We Are Fighters for Peace

Since it came into being capitalism has, throughout the world, robbed people, seized goods, raped, beaten people to death, tortured them, burned them, forcibly drafted them, imprisoned, humiliated and deported people, split up families, stamped out cultures and profaned beliefs. Two world wars, colonial wars, and local wars have left their terrible scars everywhere. Each French village has evidence of this: a war memorial.

We are fighters for peace, fraternity and respect for all peoples. Since the PCF was founded it has been seen fighting against colonial repression, fighting against the RIF war [Moroccan uprising against French colonial rule], the Indochinese and Algerian wars. It has been seen fighting for disarmament. It played a vital part in resisting fascism: against Franco, Hitler and Mussolini. Even when they were alone in these battles, the French communists never gave way on these fundamental questions.

We want freedom for France. We are struggling to insure that our country defends its full sovereignty in Europe and in the world. We are fighting to insure that it follows an active policy of peace and disarmament, that it takes its place in the struggle against hunger and underdevelopment, respects and insures respect for the universal and fundamental rights of men and peoples--including the peoples of the overseas departments and territories.

In short, because we are communists, we support all those in France and the world who are fighting for progress and freedom. This is our *raison d'être* and we are proud of it.

That is why we regard the fight to defend human rights as natural and obvious. That is why we have decided--in face of the incredible human rights violations throughout the world--to intensify our struggle for this great cause.

#### Imperialism Claims To Defend Human Rights the Better to Stifle Them

We have particular reasons for giving this struggle a new dimension since we must curb the vast campaign by imperialism's spokesmen who now constantly claim to defend human rights, the better to stifle them.

Imperialism's advocates constantly trample human rights underfoot. They have only one concern and one obsession: to halt the peoples' liberation movement at any cost and to use any means they can to shore up their system of domination which is crumbling on all sides. They have made a golden rule of the trilateral commission's fundamental recommendation: "There are desirable limits to the extension of democracy."

They are prepared to do anything to maintain their power and their profits.

#### Imperialism's Crimes

Imperialists starve people. They deliberately use the most odious weapon which exists--the food weapon--against the poorest people. As a CIA report pointed out with unusual cynicism--I quote--"Food problems would give the United States a power such that it would be in a position to exercise much greater economic and political domination than they enjoyed in the years which followed World War II.... In years of serious shortage...Washington will virtually have power of life or death over the needy masses."

The result can be seen. In 1979, 50 million persons died of malnutrition. As the UN World Food Council chairman said the day before yesterday, "One child in three dies of starvation before the age of 5 years. Each year 250,000 children go blind for lack of vitamins. Some 200 million men suffer from goiter for lack of food containing iodine."

Unless something is done 0.5 billion men, women and above all children will die in the next 20 years. What do the so-called "defenders of human rights" say about this tragedy? Nothing. Not one word.

[LD271213] Imperialism speculates with the health of hundreds of millions of human beings. It carries on an odious traffic for the benefit of the food and pharmaceutical monopolies.

At the same time, tens of millions of people die each year for lack of medical care. In some Third World countries infant mortality in pre-school children is between 30 and 50 times higher than in France. What do the so-called "defenders of human rights" say about this tragedy? Again, nothing.

Imperialism disregards the right to learn to read, write and count, the right to education and culture. At present there are 900 million illiterate people in the world. What do the "defenders of human rights" say about that? Nothing, of course. Finally, imperialism deprives millions of men and women of a fundamental right: the right to have a trade and be able to practice it. There are 1.9 million workers without jobs in France and the OECD forecasts 20 million unemployed in the capitalist countries this year. In addition to this, tens of millions of other workers have poverty-line wages, insecure jobs, inhumane working conditions and suffer the authoritarianism of governments and employers and the disdain of the rich and powerful. What do the "defenders of human rights" say about that? They maintain a desperate silence in this sphere, too.

In short, there is only one sphere in which they regain the faculty of speech: when it comes to condemning the socialist countries. They can talk forever on this subject. There are no words harsh and terrifying enough to describe the situation in these countries.

#### The Reality of Socialism

It is true that terrible human rights violations were committed in the Soviet Union and the other socialist countries in Stalin's days. Everybody knows that in 1956 the 20th CPSU Congress strongly condemned those crimes. For our part we try to learn all we can from this period. As we clearly stated at our 23d congress "we have condemned 'Stalinism' out of hand because the views and practices embodied in that term are totally foreign to our policy."

We know--and we also said this at our congress--that in some socialist countries there is still "a persistent failure to recognize the universal democratic requirement inherent in socialism." We know that this failure leads to limitations of democracy and administrative measures. We French communists regard these acts as unjustifiable. We firmly condemn them.



However we must be sensible. It is ridiculous--and I would even say scandalous--to compare the situation in the socialist countries today with the situation in Stalin's time.

It is an insult to these peoples to draw such a caricature of their lives and their country in such an offhand manner, to reject so disdainfully socialism's contribution: the end of poverty, unemployment and malnutrition, job security and the right to health care for all, the elimination of illiteracy and the right to culture for all, the people's participation in managing and running society and the gradual attainment of equality among individuals.

It is shameful to see some people--carried away by the zeal they are showing in Carter's campaign against the Olympic Games--going so far as to compare Hitler's Germany with the Soviet Union today. It is ignominious. The Soviet people paid the heaviest price in the fight against Nazism. Some 20 million Soviet people were killed in the struggle. They have been left with an instinctive horror of war and fascism. That is why I say: Show a little decency, gentlemen. Some insults go too far.

#### Imperialism's Representatives Are Not Qualified To Claim To Defend Human Rights

I maintain that imperialism's spokesmen who claim to uphold human rights in order to use them as a war machine against peoples who are being liberated, are not qualified to talk about these rights.

All those who advocate a system which--as I have just shown--kills, hangs, shoots, decapitates, machineguns, massacres, rapes and tortures people every day; those who supported Somoza's dictatorship in Nicaragua to the bitter end, who recognized the right of Pol Pot--persecutor of the Kampuchean people--to represent his country at the United Nations; those who regret both the overthrow of the shah of Iran and that of Amin, Afghanistan's bloody adventurer, are not qualified to discuss such matters.

The conservative and social democratic majority in the European Assembly which refuses to say anything in condemnation of the 2 million files opened in the context of the "Berufsverboten" and the suppression of the right to strike in the FRG, which says nothing about the torture, military occupation and prison camps in Northern Ireland and which, in the European institutions themselves, uses unacceptable practices such as political questionnaires, are not qualified to discuss such matters.

The representatives of the French bourgeoisie responsible for daily attacks on trade union rights, for the assassination of 30 Algerian citizens since March 1979, for many military interventions in Africa, for colonialist practices in the overseas departments and territories are not qualified to discuss such matters.

We deny the right of these enemies of mankind to claim that they uphold human rights. This fight for freedom and human rights belongs to us communists and revolutionaries; it cannot belong to the advocates of oppression and exploitation. We will do everything in our power to unmask their maneuvers and lies.

#### We Are Faithful to the Noblest French Traditions

In waging this fight we are faithful not only to our communist ideal but also to France's democratic traditions--especially those which led the 1789 revolutionaries to declare to the world for the first time the "rights of man and the citizen." In our country the bourgeoisie is destroying the meaning in all the values that it so proudly upheld in the past and did so much to promote. Liberty, equality and fraternity have long since changed camps. The French working class, together with the organizations it has set up to wage this struggle, has definitely taken up the torch again.

That is why, when faced by those who, especially in the big media, are waging an anti-human rights campaign that dishonors France by violating its noblest traditions, it was the duty of the communists to accept the challenge. That is what we are now doing.

#### [LD271215] The First Initiatives To Be Taken by the Committee for Freedom and Human Rights

I would now like to announce the first initiatives that we have just decided. There are five.

First, we are publishing today a document that is bound to cause embarrassment to those who have hitherto claimed to uphold human rights in order to gloss over imperialism's terrible responsibilities. Indeed, this document gives a precise account of the murders and carnage experienced by our world during the last 20 years. I will come back to this point.

Second, we intend to write to the United Nations and send it this document.

Third, I will shortly deliver a public lecture on the real state of human rights in the world. On this occasion I will launch a solemn appeal to all progressive men and women to join our fight for the defense of all freedoms everywhere.

Fourth, at the next European Assembly session the French communists and related representatives will call for the formation of a commission of inquiry into all human rights violations occurring in the nine Community countries. Indeed this assembly is very liberal with its motions and declarations concerning the Far East or Central Asia, but it persists in

obstinately refusing to examine the situation within EEC member countries. In short Mrs Thatcher agrees to discuss Afghanistan but vetoes any mention of torture in Northern Ireland; Mr Schmidt is only too willing to condemn Kampuchea but rules out any mention of the "Berufsverbot"; Mr Giscard d'Estaing is only too willing to expound on major world problems but rules out any mention of violations of workers' rights in France. We are determined to attack this monument of hypocrisy.

Fifth, following the example of the mission which the communist parliamentarians made to Kampuchea, committee members will be able to obtain direct information on the spot. The committee will publish an information bulletin on violations of freedom and human rights in France and the world. Finally, L'HUMANITE and L'HUMANITE DIMANCHE will appoint two leading reporters to tour the five continents to provide the specific and precise information required.

These are the first decisions taken by our committee.

Allow me to return briefly to the first of these: The decision to publish the document which I mentioned before and of which you will be given a copy.

What is this document?

I think I can answer that question: It is a major political document by the PCF, a document that is probably unprecedented in France and on the international plane.

On the basis of an extremely detailed study of verified facts reported by observers recognized for their integrity or drawn from sources that cannot be suspected of sympathy with our analyses, we have drawn up this initial record of human rights violations in the world.

It is not a complete record. It relates to the last 20 years. It only takes into account one aspect of human rights violations--the most visible and terrifying: political or racial murders, criminal repression of struggling peoples, massacres and genocides.

Therefore in the record that you will be given you will not find any reference to the numerous victims of imprisonment, enslavement of all types and torture throughout the world. I repeat that we have only taken into account murders according to the definition I have given.

Therefore cases related to common law, espionage or terrorism are not included in this document. Nor are the victims of war--aside, of course, from victims of colonial or neocolonial interventions. Nor will you find the millions of victims of famine, aside from cases of deliberately provoked famine, as in East Timor.

You might ask me whether I make any mention of the socialist countries. Of course I do. The interest and originality of our study lie precisely (beyond its possible omissions and imperfections) in the honesty and responsibility with which it was made. All the cases of repression resulting in death known to us, which corresponds to the object of our research as I defined before, have been taken into account whatever the country involved. I would even add that our research went into much greater detail with respect to the socialist countries than the imperialist world for two reasons.

First, on principle: In our view human rights violations are in total conflict with socialism and our communist ideal. Even if these violations had only claimed a few victims we would have felt it our responsibility to list all those known to us. That is what we have done.

Second, for a material reason: Aside from mass repression, shootings and massacres the list of assassinations of communists, progressives, trade unionists and men of the people in the so-called "free" world is so long that--unlike the attitude we adopted with regard to the socialist countries--we had to resolve not to take account of them in the framework of this first record.

#### A Damning Record for Imperialism

The document we are publishing today therefore does not go beyond the bounds of reality in listing year after year the odious wave of crimes committed throughout the world. On the contrary it falls short of the full truth. And yet even this initial record of human rights violations is damning for imperialism.

It should also be pointed out that this monstrous record of capitalism's crimes against humanity could have been increased tenfold. It would have been if the forces of progress and socialism throughout the world had not now acquired sufficient power to prevent imperialism from plunging the peoples into the new holocaust it wants.

No, the defenders of human rights are decidedly not to be sought among the advocates of this murderous system. It is we communists who are, and intend to be more than ever, the intransigent defenders of human rights.

In conclusion Georges Marchais listed the members of our committee.

[LD271217] Georges Marchais Answers Journalists' Questions

Georges Marchais was first asked whether he intends to make any gesture on behalf of the Soviet "dissidents" during the Olympic Games in Moscow.



Georges Marchais said that this journalist "who is partisan since he restricts himself to the problems posed in the socialist countries, bears out his introductory statement." He pointed out that "the PCF is fighting for the Olympic Games to take place in Moscow in 1980 as promised by the International Olympic Committee in 1974."

The PCF secretary general recalled some facts relating to the campaign being waged principally by Mr Carter.

1. "This campaign was started long before the events in Afghanistan and the measures taken against A. Sakharov. Imperialism," he said, "is basically afraid of the Olympic Games being held in Moscow. It is afraid of 500,000 to 600,000 people being able to go there freely and find out about the realities of socialism on the spot. It is afraid of that because of the gap that exists between those realities and the monstrous picture painted every day by major sections of the media.

2. "Imperialism is afraid of confrontation in the field of sports. It is afraid of counting the medals. The last Olympic Games and the Lake Placid games say a great deal on this point.

"The games," Georges Marchais said, "must take place in Moscow in 1980 and in Los Angeles in 1984. Moreover this is what the athletes want. I have noted that the athletes in most countries, including the United States, want to take part in the Olympic Games. This is a good thing. It is not up to us to interfere in the positions adopted by sporting circles, but I hope an increasing number of athletes will come out in favor of taking part.

"I repeat that, while not wishing to interfere, our party is assuming its responsibilities and taking action to insure that the games take place normally."

"It seems," Georges Marchais continued, "that Mr Carter is speculating a great deal on the attitude that the European countries will adopt. Unlike Mr Carter, I am not making any threats, but I will say this: Ours is a big party with wide influence and the athletes and sporting public must be taken into account. People abroad must realize that the French people could not remain indifferent if it turned out, for instance, that Germany is the spearhead of Carter's campaign for a boycott. If need be--and we would greatly regret there being such a need--we are capable of making those who might put a definitive end to the Olympic movement pay for the crime they would thus have committed not only against the athletes but against the young people throughout the world.

"I must point out, since Mr Carter seems to be counting a great deal on Germany and Japan, that these two countries are not qualified to speak on this question. We have not forgotten the past. We want friendship

with the German and Japanese peoples but we will not allow those who bear such responsibilities before history to once again assume the responsibility of damaging peace and friendship among peoples."

Replying to the other aspect of the journalist's question relating to "dissidents" Georges Marchais continued: "I think it a great pity that you are so aggressive today and yet were so passive when three postal workers at the Trappes sorting office, two workers at the Choisy glass-works--bought by Baron Empain with closure in mind--a militant working at Peugeot, an auxiliary school teacher from Le Mans, committed suicide because they were unemployed, or victims of despotic treatment or unbearable working conditions!

"In other words you firmly hoist the human rights banner against certain measures that, I repeat, are not in keeping with socialism and deserve to be criticized but which do not endanger human life and have nothing to do with torture and death, but you say nothing about the situation that causes the death of French workers.

"You pose as the champion of human rights for those who, like Sakharov--whose deportation to Gorkiy I regret, as I have already said--welcomed the Chilean putsch as 'an era of rebirth and consolidation' and expressed the view that the United States did not do enough in Vietnam!"

Georges Marchais then quoted a passage from a book by Sakharov:

"I think that if the Americans had shown more decision and consistency on the military and especially the political plane, the tragic course of events could have been prevented. Political pressure on the USSR to halt arms supplies to North Vietnam, sending a powerful expeditionary corps in time, appealing to the United Nations, more effective economic aid and an appeal to other countries in Europe and Asia could have influenced the course of events and hence prevented war and its train of reciprocal horrors."

A journalist then asked which countries uphold rights the best. "On the basis of the view I defined of the struggle for freedom and human rights," Georges Marchais replied, "it is the socialist countries, but with the faults I have mentioned."

Georges Marchais then answered a question on Amnesty International. This organization, he said, "has played and sometimes still plays a positive role. However, its role is biased and incomplete. It ignores too many human rights violations in too many countries. It has a narrow view of human rights which we do not share. For instance, we do not accept that Baron Empain should be able to stake millions in roulette games while a worker in one of his factories is forced to commit suicide because he has no work." That is only one example.

The PCF secretary general then stressed that Amnesty International's French section plans to interfere in the PCF's internal affairs, "but," G. Marchais pointed out, "these operations against the PCF are doomed to failure. From this viewpoint we intend to place honest people on their guard against the manipulations to which they are being subjected."

[LD271219] Various questions were asked on the Soviet intervention in Afghanistan, the PCF's position on this question and, with regard to the EEC's statement on the "neutralization" of Afghanistan, G. Marchais indicated: "Neutralization is a very vague term. If it means that the 'Nine' feel strong enough to demand that Mr Carter and Pakistan stop interfering in the Afghan people's affairs and dismantle the bases in Pakistan; if it means that the 'Nine' feel strong enough to insure respect for the Afghan people's right to run their affairs with the government they have installed, then it would be an interesting proposal."

With regard to the Afghanistan question Georges Marchais then made this suggestion to the journalists: "Compare the way in which the Uzbeks live in the Soviet Union, Afghanistan and Pakistan! Go and see what the socialist regime has done for those republics. It is simply extraordinary!"

A journalist then asked this question: "Is it better to be a Jew in the USSR or a black in the United States?"

Georges Marchais replied: "It is better to be a Jew in the USSR! There are no ghettos there. The lies repeated every day on this subject will be treated as they deserve by the French people."

Georges Marchais quoted the example of false information broadcast to millions of television viewers on the 2000 hours news broadcast a few days ago: "'Some 1,800 U.S. Marines are about to land in Somalia, Oman and Saudi Arabia with the agreement of the respective governments,' the television Channel 1 journalist said."

"At noon that day," G. Marchais continued, "I had obtained information from a representative of one of those countries stating that that country categorically rejected any installation of U.S. bases. The television journalist therefore had the opportunity to find out the truth and check his information before broadcasting it to millions of television viewers. The report was incorrect. Moreover a correction was made 3 days later at Saudi Arabia's request."

"The same happens with the USSR. I have Jewish friends in the USSR who have responsibilities at all levels, not only in the party or state machinery. It is wrong to talk of discrimination. There is a problem concerning those who want to leave the USSR. Positive replies to applications could probably be speeded up even if some applications pose problems. However, trying to compare the position of the Jews in the USSR with that of millions of black Americans is an attempt to mislead the public."

## USSR TO SUPPLY 14 PERCENT OF 1980 NATURAL GAS NEEDS

Paris LE MONDE in French 31 Jan 80 p 31

[Article by Jean-Louis Bemer: "France Will Start Receiving Soviet Gas"]

[Text] Nancy -- Located about 15 kilometers east of Nancy, Velaine-Cerville is one of France's seven underground reserves, with a storage capacity of the order of 1.2 billion cubic meters. But when numerous journalists visited these GDF facilities on the afternoon of 29 January, they were interested in the installation's function as a recompression station for Soviet gas.

For the time being, Russian gas happens to be German: the German Wildenranach station, because of technical difficulties, has not yet been able to operate its recompressors. Russian gas delivered at the Austrian-Czech border, in Bratislava, travels at 12 kilometers/hr through 3000 kilometers of pipeline through Austria and FRG before reaching the French border at Erching, and then the recompression center at Velaine. Therefore, Russian gas will most likely arrive in Lorraine on 15 February. Thanks to four 4000 kW compressors, this gas will be shipped some 100 kilometers further, to the Voisine station near Langres, and will then be sent out to the Lyon and Paris regions.

For the time being, only four cities will be supplied with Russian gas: Nogent-en-Bassigny and Morhange (Haute-Marne); Bar-sur-Aube (Aube); and Chatillon-sur-Seine (Cote-d'Or); France will remain primarily supplied (40 percent) by Dutch gas from Groninge. Thus, according to GDF directors, the arrival of Soviet natural gas in France fits into the policy of supply diversification. The USSR has considerable gas reserves, estimated at the end of 1979 at more than 27,000 billion cubic meters or 40 percent of world reserves. The operating rate of about 4 billion cubic meters per year will be reached this year, with Soviet gas expected to amount to about 14 percent of French natural gas supplies in 1980. Initially, the Velaine station was supposed to perform recompression for 7 billion cubic meters, 3 billion of which were scheduled to be supplied by Iran, with a 1981 deadline.



## COAL RESOURCES SUFFICIENT FOR ENERGY INDEPENDENCE

Paris L'HUMANITE in French 25 Jan 80 p 6

[Text] France has enough coal reserves to ensure its energy independence for a long time, provided they are exploited. This is what our party proposes to do, with the plan for reactivating the mining industry. The Communists in this section have just seen a document from the management of the Freyming-Merlebach Coal Mines (Moselle). This document confirms the analysis of the PCF (French Communist Party).

The document states that "quantitatively, the Lorraine coal basin contains the largest deposit in the whole country. While it is not yet possible to accurately evaluate the amount of coal which it holds, it is nevertheless estimated, on the basis of studies performed in the various known fields, that the Lorraine deposit has reserves which are certainly greater than 5 billion tons. This considerable mass singly amounts to about one half of total French underground coal reserves, since French basins as a whole are believed to hold reserves of approximately 10 billion 400 million tons.

If production was maintained at an annual extraction rate below 15 million tons, these reserves would provide over three hundred years of mining exploitation."

With respect to these revelations, Marcel Zider, secretary of the Freyming-Merlebach communist section, has stated: "We were correct in our firm opposition to the worshippers of oil and oil tankers, whoever they may be: Giscard administration leaders, members of RPR (Rally for the Republic), or Socialists. Our struggle for development of coal mine production, and for other working and living conditions for miners and the whole Moselle population, is a just cause."

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## 'I KATHIMERINI' ENDORSES REJECTION OF NATO PLANS FOR GREECE'S RETURN

AT231549 Athens I KATHIMERINI in Greek 23 Feb 80 p 5 AT

[Editorial: "Unchangeable and Unacceptable"]

[Text] We had foreseen it repeatedly in the last few months--as recently as 3 days ago--and we are the first to be sorry that our forecasts came true. However, one would have to be very shortsighted not to discern that under the influence of the power which dominates the alliance the summit of the Atlantic alliance is not yet mature enough to sweep aside Turkish demands and adopt settlements that would allow Greece's return to the military wing under conditions that are acceptable to our country. As for Turkey, it is rather improbable that it will withdraw demands which constitute an organic part of its fundamental and permanent "national" policy, at least at the current stage.

Greece had withdrawn from the Atlantic alliance's military wing during those dramatic days of August 1974 while the "Attila" forces were galloping unobstructed on the soil of the independent state of Cyprus. Greece withdrew not only because of the Greek public's indignation at the Atlantic alliance's inactivity (especially of its senior partner) toward the Turkish aggression against Cyprus, but also for practical reasons. Specifically, Greece withdrew because it needed all of its armed forces under complete national control in view of Turkey's designs and demands against the Greek area.

However, about 3 years later Greece stated that it would agree to return to the alliance's unified military structure under a status of a special relationship which would serve the alliance's aims and would correspond to Greece's need for security--because of the crisis in Greek-Turkish relations. The claim that the special relationship was useful to the alliance can be proven by the fact that Greek suggestions were accepted and adopted in the spring of 1978 by the then military leadership of the alliance.

Turkey, however, vetoed the plan at the time and put forth as "conditions" for Greece's return to the alliance's military wing demands which, although not connected with the better organization or effectiveness of the alliance in the entire area, truncated Greece's sovereign rights in its national area and created at the same time tangible dangers for our country's national security.

And so that very same military leadership of the alliance which had accepted Greek suggestions as beneficial to the alliance subsequently adopted the Turkish demands which aimed not at the advancement of the alliance's provable defense goals, but at the promotion of Turkey's expansionist and hegemonistic designs against the Greek area. The alliance presented these demands to Greece in the form of two successive "Haig plans" (named after the then U.S. supreme commander of NATO forces in Europe) which naturally were completely rejected.

Early last January things were at a deadlock, and from within the new "atmosphere" that was internationally created since last December, the Atlantic alliance's leadership, through the (new) supreme commander of its forces in Europe General Rogers, moved to find a way for Greece's return to the military wing and the closing of the rift in the alliance's southeastern wing. Many people thought--with good reason--that this time something different would be offered that would allow Greece to return to military NATO.

We did not share those prospects because, as we have repeatedly stressed, it would be improbable for Turkey to withdraw, from one day to the next and despite the (mostly exaggerated and rather transient) deterioration caused by events in Afghanistan, demands and designs that are an organic part of an entire and permanent policy and of its entire complex of "national" goals and aims, and moreover, because the alliance, which had adopted Turkish demands before the things that had taken place in the last 14 months in central-western Asia, would be most unlikely to "displease" Turkey now that the Turkish factor had been "revalued" (shortsightedly and with much shallowness) in the eyes of the alliance's strong partners.

And that is what happened. The alliance (especially the power which dominates the alliance) continues to demand that Greece agree to settlements which will truncate its sovereign rights in its national area and will, at the same time, create negative and dangerous possibilities for our national security without at least the "mitigating circumstance" that they will promote the alliance's defensive organization and effectiveness in the area.

These settlements are rejected by Greece as unacceptable and--as we have stressed in the past--they would still be rejected even if they served the alliance's interests, because such interests cannot be placed outside the vital national needs of one or the other partner which no alliance can or has a right to ignore. The opposite would be incongruous, because the reason for a country's participation in an alliance is the guarantee of its integrity and security against any design.

Greece has no reason to be in a hurry to return to the alliance's military wing--especially under conditions which run counter to its legal and vital rights and interests. Others are in a hurry and if these other people are truly interested in the restoration of the alliance's southeastern wing they can tell Turkey to lift its unacceptable demands--which in no way advance the alliance's defensive organization--and accept the Greek proposals. Otherwise, things will remain as they are.

Of course, no one will be surprised at the creation of an antiwestern feeling in Greece--including prospects for its transformation into a political reality that will be different from the current one.

## CPB STUDIES CAUSES OF ECONOMIC CRISIS

Rotterdam NRC HANDELSBLAD in Dutch 8 Feb 80 p 13

[Report by A. F. van Zweeden, C. Calja: "Oil Is By No Means the Only Cause of Economic Crisis"]

[Text] The Hague, 8 Feb--Should an additional 2 or 4 billion guilders be "cut back" by the government this year? Opinions are divided within the cabinet. But recently Prime Minister van Agt himself told the people that a total of 7 billion should be economized as a result of the disappointing economic growth: 4 billion in the private sector and 3 billion in the collective sector. Over and above that the government would have to economize another 1 billion because one has fallen behind with Specifications '81.

How did Van Agt arrive at these figures? He did not get them from the Central Planning Bureau [CPB]. The CPB did however calculate that the gross national product would not increase by the previously expected 2.5 percent in 1980, but by only 0.5 percent. If that difference of 2 percent were expressed in guilders, one would indeed arrive at approximately 7 billion guilders.

"Bend with the wind." That is how Dr P. B. de Ridder, head of the "short term planning" department of the Central Planning Bureau, characterizes the cabinet policy. Growth is collapsing and the government is adjusting itself to that. The attempt to turn the tide by an economic injection via a greater financing deficit is abandoned. On the other hand, De Ridder recognizes that the financing of that deficit is much more difficult now than in 1974 when there was a surplus in the balance of payments (at present a considerable deficit is being predicted) and the financing deficit moreover was much smaller.

## Oil Price Explosion

What are the consequences of the 1979 oil price explosion for the Dutch economy? On 19 December, just after the OPEC conference in Caracas, the Central Planning Bureau produced a hasty notice in which the alarm was already sounded. On 3 January a more detailed prognosis followed.



What was notable there was that the increase of oil prices is only partly responsible for the problems. According to the most recent estimates, there was a deficit of 1.5 billion guilders on the running account of the balance of payments over 1979, while even in September a balance of zero had been predicted. The larger income transfers to other countries played a big role in that.

The fact that the oil price explosion is by no means the only malefactor is also obvious from the financing deficit of the government. According to the September CPB estimates, that deficit, expressed as a percentage of the national income, would come to 4.7 percent on a transaction basis (thus counting the moment at which commitments are entered into, and not the moment at which the money flows into or out of the treasury). Four months later the Planning Bureau calculates a deficit of 5.3 percent over 1979, thus almost 2 billion guilders more. It is clear that the effects of the oil price explosion, regardless of how big they may be, do not make themselves felt that rapidly.

#### Tax Revenue

The reason the financing deficit on a transaction basis turns out to be so much higher in 1979 is that taxes are going to yield much less than expected. That is a set-back not only for the government, but also for the Central Planning Bureau.

De Ridder: "Naturally we are also disappointed, for our prognosis was terribly inaccurate. But it is not clear yet why the tax revenues are so disappointing. I take it that the wage- and income tax is yielding less due to the fact that consumers borrowed a lot, and that results in tax deductions. There also seems to be a question of deferring tax commitments to 1980. And then of course there is the partnership tax, where the treasury had to compensate for losses."

For this year a financing deficit on a transaction basis of 5.9 percent is expected (in September the CPB was still counting on 4.7 percent!). That set-back is caused both by stagnating tax revenues and oil price increases. It is not yet known, however, how great the relative significance is of both factors.

A great uncertainty in determining the effects of the oil price increase on the Dutch economy arises because it is not very clear how exports will react, both with respect to volume and prices. To start with, the /prices/ [in italics]: in September the CPB predicted an increase of export prices of 9 percent. Now 13 percent is being adhered to, the same figure as is predicted for import prices. For the time being, vagueness still exists on the price of the natural gas the Netherlands will supply to other countries.

Assuming that natural gas prices can be raised to the oil level only with great delay and never completely, the Central Planning Bureau is calculating a deficit on the running account of the balance of payments of 2.5 billion guilders for this year. What would happen if one should succeed nevertheless in immediately increasing the export price of Dutch natural gas to the level of oil?

De Ridder: "For the running account of the balance of payments that would make a difference of about 5.5 billion guilders. But such a calculation is purely theoretical; it would take at least 9 months to make natural gas more expensive, and even then, one could never make it as expensive as oil. Export of natural gas is already yielding 10.3 billion to industry and the government."

As to the /volume/ [in italics] of export, the CPB is not counting on any growth this year, although there was an average growth of 6.5 percent over 1979. Dutch export thus would not be able to keep up with the growth of world trade, because that is still supposed to increase by 2 percent (last year 7 percent). Why this lag?

De Ridder: "That is because our export is energy-intensive. Natural gas accounts for 7 percent and about 40 percent comes from the chemical industry and oil refining. Last year there was considerable stock-piling of these types of products, while the future increase in the cost of energy does not promote sales either."

#### FRG

In that respect our country differs from the FRG where export does increase as fast as world trade, according to the prognosis. The difference between The Hague and Bonn with respect to economic prospects still remains conspicuously large, however. The German Government predicted in the annual economic report last week that the gross national product would increase by 2.5 percent this year, while the CPB expects no more than  $\frac{1}{2}$  percent for the Netherlands. This is in spite of the lead the Netherlands ought to have due to natural gas. On the other hand, German consumers' prices are supposed to increase by only 4.5 percent this year, as compared to a prognosis of 6.5 percent for our country. Why these differences?

De Ridder: "I'm afraid they're guilty of 'wishful thinking' in Bonn. Even before the oil price increases of December, the OECD predicted a growth of the German gross national product of only 2.25 percent. But still, German export is somewhat less energy-intensive than ours; that could make some difference. But I'm still afraid that the German figures are objectives rather than true prognoses."

How does the Central Planning Bureau arrive at the prognosis that the gross national product will increase by 0.5 percent this year? For that, the CPB utilizes an updated version of the quarterly model as designed

at the time by the Amsterdam Professor Driehuis. Structural shifts on the long term, such as the results of investments aimed at cutting the consumption of energy, do not show up in that model. The quarterly model is a macro-model, that is to say that no separate sectors (such as industry, public services, etc.) are distinguished in it. However, plans toward that do exist in the CPB.

#### Two Ways

The increasing of the oil price affects the Netherlands in two ways. Revenues are seeping to the OPEC countries because of the increasing costs of oil imports, while on the other hand export is stagnating because world trade is barely increasing and because our export is energy-intensive.

In its prognosis the CPB assumes that a barrel of oil will cost an average of 30 dollars calculated over the whole of 1980, as compared to an average price of 19 dollars per barrel for 1979. That assumption is certainly not too high. Due to the additional price increases which most OPEC countries announced last week, the average OPEC price is 29 dollars per barrel already now, with almost 11 months to go.

But nothing is more uncertain than the development on the oil price front. The economic doctors of the Planning Bureau -- which for that matter resides in a red brick building which could be used as a hospital just like that -- know that primarily that factor unsettles all their prognoses.

#### Wage Prognosis in December Almost Correct

The Planning Bureau calculates the wage increase for every year by means of a wage comparison. In that comparison, inflation (cost-of-living compensation!), work productivity (calculated as a quotient of production and work opportunity), unemployment (which curbs wage increase) and the shifting of burdens to others play an important role.

A spicy detail there is that the almost-agreement between employers and employees of last December would have come to exactly the wage increase which had been calculated also by the CPB (but had not been published in the macro-economic exploration of September 1979).

De Ridder: "The cabinet wouldn't hear of it, however. For that matter, it appears from figures since 1953 that the government's wage policy barely influenced actual wage increases. Thus, for example, in 1976 the incidental wage increase was used as an escape valve against the wage measure of the Den Uyl Cabinet."

Moreover, De Ridder doesn't agree with those who say that wage costs have risen much more in the Netherlands than abroad. He says: "For a number of consecutive years we have been able to curb wage costs considerably. The competitive advantage one might expect from that has been partially removed, however, by the appreciation of the guilder. That more expensive guilder was good for fighting inflation, but bad for export."

"One could say about the current policy that it doesn't fight that inflation. It probably is aimed at effecting appreciation."

#### Premises and Prognoses of the CPB

Premises	1979	1980
Growth of world trade	7	2
Increase of import prices	10.5	13
Growth of government consumption	15	9
Growth of government investments	6.5	13
Growth of construction investments	-6.5	5
Increase of wages in trade and industry	6.5	7.5 to 8

#### Prognoses

Growth of private consumption	2	0.5
Growth of industrial investments	2	0
Growth of government expenditures	4.5	2
Growth of export volume	10	0
Growth of import volume	6.5	0
Growth of real national income	1.1	0.1
Increase in consumers' prices	4.5 to 5	6.5
Registered unemployment	207	215 to 225
Tax and premium burden	53.7	54.3
True wage increase for John Modal (exclusive of incidental increases)	0.5	-0.5

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## PCE'S CARRILLO HOLDS PRESS CONFERENCE, COMMENTS ON AFGHANISTAN

## Differences With Other Parties

Madrid ABC in Spanish 31 Jan 80 p 7 LD

[Report by "p.j.r.": "Carrillo Considers Any Military Coup Impossible"]

[Text] [PCE Secretary General] Santiago Carrillo has told a group of journalists that, according to rumors which have reached him, General Torres Rojas recently attended a meeting with other military chiefs at which the possibility of what the communist leader described as a bloodless coup was discussed. Carrillo compared this move with the one which brought General Primo de Rivera to power in 1923.

Carrillo said that this information reached him some time ago and that it was also known to Spanish Socialist Workers Party [PSOE] Secretary General Felipe Gonzalez. The communist leader commented that General Torres Rojas' resignation as commander in chief of the Brunete Armored Division had seemed right to him and that whatever happens, he regards a successful attempt at a military coup as absolutely impossible.

Santiago Carrillo made these revelations during a lengthy table talk at a dinner yesterday with a group of journalists and members of the editorial staff of several newspapers. The PCE secretary general spoke off the record about French communist leader Georges Marchais' attitude, some of the tensions existing within his own party and the possible effects on the PSOE of the present political process, though he did not make this condition when asked about recent military events.

## Visit to Bulgaria

During the dinner Carrillo supplied some interesting new details concerning his visit to Bulgaria. He explained that the visit was in answer to a long-standing invitation from the Bulgarian communists, who were in a way jealous that he always chose to vacation in Yugoslavia, with which country they have an unresolved territorial dispute over Macedonia. He spent the first part of his visit resting and hunting.

According to his account, he shot a boar and a deer--the latter at 600 meters' range--with a rifle equipped with telescopic sight. After 3 days he received a visit from Bulgarian Premier Todor Zhivkov, with whom he had a preliminary round of talks, which, according to Carrillo, served merely to emphasize the profound differences between their viewpoints.

Specifically, the PCE leader explained how Zhivkov reproached him for his stance opposing taking part in an all-European communist parties conference, which the French and Polish communists were trying to organize in Paris, and his criticism of the concept of "real socialism" which East European countries often use to describe their system of government. According to Carrillo, the clear-cut differences between the interlocutors was obvious in their assessment of the Soviet invasion of Afghanistan.

Carrillo added that he had expected a second round of talks in Sofia, but that they were not held, thanks to a decision taken by Zhivkov. In his opinion, the joint communique signed at the end of the visit is considerably more ambiguous than usual in countries within the Kremlin orbit and compared it, for instance, with the communique which the PSOE signed on the occasion of Felipe Gonzalez' and Alfonso Guerra's visit to Moscow. The Bulgarians wanted to include a critical reference to the deployment of Euromissiles, but Carrillo refused, explaining that while he did oppose NATO's decision he did not consider it opportune to state this in Bulgaria.

#### Afghan Invasion

Carrillo also supplied details regarding his more recent conversation with Berlinguer in Rome and attached great importance to the present initiative of organizing a meeting of Eurocommunist and socialist parties with the aim of formulating a policy equidistant from the Soviet Union and the United States, in favor of detente.

He explained that in his opinion the Afghan invasion was due to four basic causes: the great influence of the military in Kremlin policy, the desire to respond to the deployment of the Euromissiles, the desire to control the Persian Gulf oil zone and a miscalculation of the West's response capacity.

Carrillo commented that the Soviet Union will find it very difficult to come out of Afghanistan well, comparing the situation with what Vietnam signified for the Americans. He criticized Carter's decision to increase the military budget and said that the U.S. President was reacting hysterically. He added that the Olympic boycott could harm the Soviets internationally, but will serve to strengthen their nationalism and internal unity.

## Rightward Process

The communist leader devoted a large part of his conversation to explaining what he regards as the rightward process in Spanish politics. In his opinion this process began with the way in which Prime Minister Suarez' investiture took place and can still be seen in the government economic plan, the workers statute and the framework agreement, in the about-face with regard to the autonomies and Prime Minister Suarez' visit to Washington. Carrillo commented that if this process continues Spain will not need any coup d'etat, since its effects will be felt through the simple deterioration of the political forces' stances.

In this connection he mentioned Fraga, noting that he is still awaiting a military initiative and that Suarez will eventually achieve what Fraga himself has not achieved: an important popular alliance [Fraga's party].

Developing the idea of the danger of a rightward trend, Carrillo conveyed what the assembled journalists regarded as the meeting's most important political message. He said specifically that although the polemics over the workers statute and the framework agreement had given the PCE and the workers commissions more than sufficient motive for continuing to criticize the PSOE, the communists will cease doing so to avoid facilitating the government's aim of splitting the left and involving the socialists in its rightward process.

## Catalonia, Basque Country, Anadalusia

Carrillo also analyzed the political situation in the three regions which will soon be holding referendums connected with autonomy. He said that the left will win in Catalonia and that his ideal would be a three-party government based on the Convergence and Union, the socialists and the Unified Socialist Party of Catalonia. He added that he hoped that the Convergence and Union will modify its present stance of refusing to govern with the communists and rejected as unfeasible the hypothesis of a single-party socialist government. In his opinion, a government of socialists and communists should not frighten anybody.

In the Basque country Carrillo predicted a clear victory for the Basque National Party and considered it possible that this party will govern with the support of the Euzkadiko Ezquerria [Basque Left]. He denied rumors linking this coalition with the PCE, though he admitted that Bandres would certainly fit perfectly in his party. With regard to the Anadalusian referendum he said that he does not believe he has any chance of winning but that the political cost of the operation to the Union of the Democratic Center will be huge.

The communist leader denied that a replacement for Marcelino Camacho [workers commissions leader] was being sought and denied that there were any pretenders within the PCE, though he did praise Nicolas

Sartorius. Toward the end of the meeting he stated categorically that the Spanish radio and television accounts scandal could be Adolfo Suarez' Watergate and said his party is willing to get to the bottom of this matter.

#### Denies Making Statements

Madrid ABC in Spanish 1 Feb 80 p 6 LD

[Unattributed report: "Santiago Carrillo Wishes To Deny Remarks"]

[Text] Yesterday evening our newspaper's telex machine received the following note from Santiago Carrillo, designed to deny the report published in our Thursday issue concerning remarks made by the PCE secretary general at a dinner with journalists from several papers. Although we lament the anonymous nature of the form chosen by Mr Carrillo for supplying this information, we will not omit to make it known to our readers. However, we do defend the professional standards and reporting ethics of those who attended the meeting in a professional capacity, in a reply to the assertions made by the PCE secretary general.

#### Note From Santiago Carrillo

On 29 January I attended a dinner with a group of six journalists, including ABC's Mr Pedro J. Ramirez.

It was one of those meetings between journalists and politicians at which all kinds of things were discussed, some of which are reported and others not, by mutual agreement, which permits considerable information to be gathered by both sides, in the general interest. Such conversations take place on the basis of a kind of gentleman's agreement. At such meetings the journalists sometimes talk and comment more than the guest politicians.

My answers to specific questions were made on the understanding that they would not be reported publicly. I took the precaution of tape recording the entire conversation. My verbatim reply to questions put with the explicit proviso that they would remain off the record and asking me about what was published about an alleged military coup in a newspaper on the previous day was--as can be ascertained from the tapes--"I do not believe that that was a coup."

I therefore believe that the statement by Defense Minister Rodriguez Sahagun published in ABC was prompted by a deliberate distortion of my words, following the breaking of the pledge not to publish them.

With respect to the television scandal, I must say that the expression that it could be "Suarez' Watergate" was not used by me at any time but



by one of the journalists questioning me, as can be ascertained from the tape recording of the conversation. ABC's plea defending Prime Minister Suarez against words which I did not utter is therefore a distortion of the conversation which does not credit to its author.

Last, among many other things, I talked about the Anadalusian referendum and I did indeed acknowledge the obstacles to winning it, bearing in mind the Union of the Democratic Center's stance and the means at the government's disposal, starting with the bizarre way in which the question is put to the voters. But at no time did I make discouraging remarks, as is to be inferred from an editorial in ABC of Seville, written with the aim of demoralizing the electorate.

These are the clarifications which ABC's account obliges me to make. The journalists took no notes of the conversation at any time, relying on their memories and pledging that for this reason they would publish no sentences in quotes--that is, verbatim.

#### Reply to Santiago Carrillo

We received with utter surprise "Santiago Carrillo's clarifications" concerning the report on the conversation held with the six signatory journalists during the dinner last Tuesday, 29 January. Our surprise is all the greater inasmuch as he possesses a recording of everything that was said, which obliges him doubly to square his account with the facts.

For our part, we wish to specify:

1. We are absolutely certain that no "off the record" embargo applied to anything of what Mr Carrillo said about the recent military incidents.
2. We are absolutely certain that Mr Carrillo explicitly remarked that the Spanish television accounts scandal could be "Adolfo Suarez' Watergate," although it is true that one of us used this expression first.
3. We are absolutely certain that the various accounts published concerning both these two topics and all the others broached throughout the dinner are in keeping with the spirit and letter of his words.
4. We propose to Mr Carrillo a public hearing of the recording, with the aim of dispelling any doubt in this connection.

[Signed] Jose Manuel Arija, Fernando G. Urbaneja, Jose Luis Gutierrez, Jose Luis Martinez, Pedro G. Ramirez and Pablo Sebastian.

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## CARRILLO ON LLOBREGAT VOTE, INTERNATIONAL SITUATION

Buenos Aires CLARIN in Spanish 31 Jan 80 p 20

[Interview with Santiago Carrillo, head of the PCE in Madrid by Julio Nudler; date and place not given]

[Text] Madrid, 30 Jan--Santiago Carrillo is without doubt the Spanish politician with the highest rating among the international press. This was demonstrated once again at the lunch which the head of the Iberian euro-communists shared this noon with foreign correspondents, including one from CLARIN, the only Argentine member of the media present on the occasion.

Carrillo, who hardly had time to eat a bite, answered the questions of the journalists, who filled the dining room to capacity, for 105 minutes. He even managed to put away the lighter of a German correspondent in his pocket. But the incidents which really occupied the attention of the table were the ones which are rocking the international scene today: the Soviet invasion of Afghanistan, the outbreak of the cold war, and also the moves of the guest: his most recent meeting with Enrico Berlinguer in Rome.

We reproduce below a summary of the long dialog.

[Question] Would you define the Soviet invasion of Afghanistan as an imperialist act?

[Answer] Unquestionable. The incursion into Afghanistan represents an act of hegemony, which in my judgment has nothing to do with what the nature of an international socialist policy should be.

[Question] In your opinion, what were the real motives for the Soviet intervention?

[Answer] The truth is that I just cannot explain them to myself. It was said that it could have been a response to the installation of Cruise and Pershing missiles in Europe. They have said that the Soviets took the step to dissuade the Americans from intervening in Iran and the oil region. But none of this seems to me to be a satisfactory and clear explanation.

[Question] Do you not believe the stories about a U.S. plan to penetrate into Afghanistan with guerrilla forces from Pakistan?

[Answer] I am convinced that the United States and the CIA have backed the guerrilla forces in Afghanistan. What the United States could not do was to go in there with troops. And it seems to me that the occupation of Afghanistan is an exaggerated response to that CIA activity. The Russians say that it was the Afghan government that asked them for help. But I wonder which one of them. Because if it was Taraki who asked for Soviet intervention, they logically would have gone in before they shot Taraki, and they would not have congratulated Amin, who after shooting Taraki took over the government.

[Question] The important communist section of the lower Llobregat (an industrial area of Barcelona) has approved the Soviet intervention, contradicting the official line of the PCE. How should this revolt be understood?

[Answer] I believe that the attitude of the communists of lower Llobregat can definitely be explained. On one hand, a number of members of our party still retain certain sentimental ties with the Soviet Union. On the other hand, they--like anyone--have seen how U.S. imperialism has intervened militarily in different countries for years and years, and no one has noticed the condemnation from the western governments which has now been created by the unjustifiable intervention in Afghanistan. But it is not a serious problem, and a debate within the party will manage to take care of it.

[Question] Do you see any connection between the resurgence of the cold war and the new outbreak of extreme rightist terrorism in Spain?

[Answer] I have not concrete information to confirm that a direct relationship exists. But something is clear to me. A relation does exist between the resurgence of the fascist terror in Spain, the rumors about the possibility of coups d'etat and even the increasingly rightist policy being followed by the Suarez government.

[Question] What side would the PCE be on if World War III should break out?

[Answer] In World War I our position was one of complete support for the Soviet revolution. In World War II we communists supported the Soviet Union and the allied powers. World War III is not our war, no matter who is in it. And it is not our war because no victorious revolution would come out of it, those that there are would be destroyed, and the possibility of new revolutions in the world would disappear. And if it is declared, we will not even have the opportunity of saying if we are on one side or the other. The only camp remaining to us, both communists and anticommunists, would be the cemetery.

[Question] What was the purpose of your recent trip to Rome?

[Answer] The purpose of my meeting with Berlinguer was not only to compare our views on the intervention in Afghanistan, on the Sakharov case and the deterioration of the international situation, but also study what initiatives could be taken toward what we could call a "third way" between the U.S. and Soviet policies, in order to effectively combat the return to the cold war. That third way is the one that we think the communists, socialist, social democrats and Christian progressives can and should take.

[Question] What are your views on the recent trip of Adolfo Suarez to Washington and his coming journey to Iraq and other Middle Eastern countries?

[Answer] I believe that Suarez' trip indicates a turn toward a pro-American strategy in Spanish policy. First, is the way in which that trip was made: Suarez was called--some newspaper said "summoned"--by Carter. Afterward, the memoranda given out by one side and the other were different. In the U.S. communique the impression is given that agreements and commitments had been reached. Not in the Spanish memorandum. I believe that the head of state has probably made commitments which he has not yet informed the country about. The prospect of planes taking off toward the Persian Gulf from U.S. bases in Spain is something that causes concern. And I fear that the trip to the Middle East announced by Suarez may not be so much an attempt to act as an intermediary and look for solutions as it is a trip which has been coordinated with Carter to see whether, if all or some of the Palestinian demands are satisfied, they can bring about a reversal of the policy of the Arab countries in favor of the United States.

[Question] In the light of your last statements, do you think the French PC will continue being eurocommunist?

[Answer] Please, ask Georges Marchais that question; I prefer to reserve my opinion since I am speaking "off the record."

[Question] What do you think of the possible boycott of the Moscow Olympics?

[Answer] I believe that the Olympics are not outside politics--and today nothing is--but there should be an area where current events do not interfere. The boycott also seems to me a stupid policy, and it is only going to reinforce the idea of Soviet citizens that the USSR is a besieged country, and now surrounded, as it was in other times. This promotes a nationalistic attitude, which is not going to help to solve the problems of the world.

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## FOREIGN MINISTRY SPEAKS WITH TWO VOICES ON NATO POLICIES

Stockholm SVENSKA DAGBLADET in Swedish 11 Jan 80 p 3

[Article by LLD Rajko Djermanovic, peace researcher, in response to an article by Ola Ullsten on 17 December: "Two Foreign Political Courses in the Foreign Ministry? NATO's Decision to Acquire Cruise Missiles Was Necessary to Avoid a Strategically Weak Position. But When NATO Defends Itself Inga Thorsson Raises Her Voice, But She Is Silent When Moscow Arms"]

[Excerpt] Up to now SIPRI [Stockholm International Peace Research Institute] has not devoted its attention to the gigantic Soviet base at Murmansk with a potential which, among other things, would make all of Scandinavia easily conquered. Instead, there is talk of the fact that NATO's new cruise missiles may threaten Swedish neutrality. One likes to forget that missiles from Murmansk, so close to Sweden, can be even more dangerous to Swedish neutrality.

## Foreign Ministry With Two Voices?

Ola Ullsten's and Inga Thorsson's attitude concerning Swedish arrogance in the area of disarmament is correct. Therefore begin from the bottom, instead of from the top! The very best contribution by the Swedish government would be a proposal at the disarmament conference in Geneva for a convention at which the obligation would be imposed on all nations, including the Soviet Union, to disseminate information about the horrible effects of nuclear weapons on the whole world, information against war, respect for the sovereignty and independence of the nations and for peaceful solutions of all conflicts. Such obligatory formation of opinion in the Soviet Union is worth considerably more than a disarmament agreement with Moscow, an agreement which can either be cheated on or revoked.

Inga Thorsson's article, so onesidedly aimed against NATO, was published on 18 December, that is to say the day after a balanced article on the same subject by Ola Ullsten in the SVENSKA DAGBLADET, and since the articles conflict with one another the question must be asked which of the two represents the Foreign Ministry and what foreign policy the Foreign Ministry follows today.

## A Distorted Picture

In her defense of the Warsaw Pact in an article in the DAGENS NYHETER of 5 January, Maj Wechseltmann does not ascribe any ability to Swedish military experts and Ola Ullsten to evaluate NATO's situation. She almost questions the existence of the SS-20. She presents a totally distorted picture "according to the Russian view" that NATO's and the Warsaw Pact troops are equal in strength, without mentioning the far superior Soviet strength in air force, tanks and artillery. Maj Wechseltmann apparently does not even know that SIPRI has devoted a book to this. She asserts that Western Europe (with the German Social Democratic government at the head) is arming in order to maintain control over the oil in underdeveloped countries and as a tool for military and political blackmail against the Soviet Union. She concludes by saying that "the invasion of Afghanistan does not even modify my position" that the Soviet strategy is -- defensive. Naturally, Maj Wechseltmann has a right to be the advocate of the Soviet Union and the Warsaw Pact but she ought not to distort the facts.

If the Soviet Union now refuses to negotiate with NATO about limiting the modernization of the nuclear arms arsenal, the way it appears, then all of those who protest NATO's "rearmament" must now protest the latest decision of the Soviet Union if they want to stay neutral. Moscow's refusal to negotiate can only be regarded as fear of making concessions in its superior nuclear arms arsenal or unwillingness to halt modernization of its large rearmament program which is already secretly under way. A secret which can be kept only with difficulty in view of the daily satellite inspections which both superpowers make.

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## PALME, KRONMARK CLASH ON DEFENSE SPENDING

Stockholm DAGENS NYHETER in Swedish 25 Jan 80 p 6

[Article by Kaa Eneberg: "Palme and Kronmark Quarrel About Defense"]

[Text] Faraway conflicts can rapidly be transported to our corner of the world and this is why Olof Palme's demand for a cut in military expenditures is irresponsible. This is what Defense Minister Eric Kronmark (Conservative) said to the DAGENS NYHETER on Thursday.

In a bill the Social Democrats are asking for a 504 million crown smaller appropriation for military defense than the government did in its budget proposal.

Opposition leader Olof Palme, who has signed the bill, is angry and worried over what he considers a new and heated note in the "bourgeoisie."

"The notes which are now being sounded presage deep trouble. As soon as a suitable conflict pops up the hawks come out and press for increased defense appropriations."

Whether he counts Center Party leader Thorbjorn Falldin among the "hawks" is not clear.

## Brake

But Palme is upset over the appearance of the Center Party leader on television Wednesday evening. On "Report" Falldin spoke about the possibility of discussing increased defense allocations if the international situation continues to deteriorate.

Olof Palme believes that the Social Democrats have no intention whatsoever of weakening the Swedish defense. He points out that instead they want increased appropriations for economic defense and civil defense. That they demanded a smaller appropriation than the government doesn't mean a cut in defense expenditures, only a slowdown in the rate of increase, he says.

"And we are categorically against the shocking waste which the increasing military expenditures constitute. We think it is a waste to invest in new fighter aircraft such as the B3LA and SK-2 and whatever they are called."

#### Lunacy

It is lunacy to throw away millions on these planes which will not be able to fly until 15 years from now. Olof Palme sharpens his wording: invest money in planes which will never get off the ground.

We cannot afford this in view of our present economic situation. But we should also be careful with regard to the increased tension in the world --Palme has previously expressed fear of a war by the major power. Sweden should be careful not to contribute to the growing armament spiral.

Eric Kronmark tells the DAGENS NYHETER that he does not share the same pessimistic view of the development as he believes Palme has expressed. A war by the major powers is not imminent, but the risks of a new cold war are increasing.

It is strange that with Palme's pessimistic view they can propose cuts, Eric Kronmark said before flying off to Lund. In the evening he there held a speech to a forum of academic officers, a speech filled with sharp attacks on the Social Democratic view of the defense.

His description of the Social Democrats' demands was that they want to demolish much of what we have laboriously built up in the defense. It would halt all military refresher courses and all orders of materiel.

Kronmark said that he probably has the majority of the Swedish people behind him in his evaluation that the international situation in no way justifies any cutbacks.

Despite Kronmark's statements that he did not share Palme's pessimism concerning the development, the Conservative defense minister warned that we should not allow ourselves to be lulled to sleep by a purely diplomatic improvement in international relations, as long as the high level of armament continues.

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## MUNDEBO CALLS FOR MORE REALISM IN APPROACH TO ECONOMIC PROBLEMS

Stockholm SVENSKA DAGBLADET in Swedish 17 Jan 80 p 3

[Analysis by Budget Minister Ingemar Mundebo, Liberal Party: "More Realism, Please! We Can Achieve Balance in the Swedish Economy. But it Requires Many Years of Hard Work. And Discarding a Few Illusions!"]

[Text] Whoever has to put together a national budget does not need to lack advice and opinions on what the budget should look like. And once the proposal for a budget has been submitted the advice and opinions become yet more copious. The problem is only that they rarely agree with one another. This is evident from studying the 15 or so daily newspapers during the last few days.

The government submitted a budget with state revenue in the amount of 148.4 billion, state expenditures of 203.8 billion and thus a deficit of 55.4 billion.

It is natural to say about such a budget that the deficit is too great. This is said in most newspapers. Some say that these are "frighteningly high figures." To many the reasons for the high figures are clear: There has been a "lack of decisiveness when it comes to adopting the necessary measures." There is "weak handling of it." The budget is "passive and limp," it "does not contain any measures of its own." Some are calmer: "The budget minister should perhaps have been tougher." Others are more determined: "It should have been possible to shave off another few billion" (10 billion says one newspaper, while later, on the same page, proposing considerable new expenditures).

What can be done in order to reduce the budget deficit?

There are two known methods: Either increase revenue or reduce expenditures. Clearly, both methods cannot be used simultaneously.

Stop! Don't Write!

And naturally -- in order that not too many economists and politicians should write too many profound articles -- it is possible to influence

resources and economic growth through economic and fiscal policy and thereby influence both revenue and expenditures. This ought to be the principal way to achieve balance in the economy.

But let us nevertheless do without this greater perspective and see what proposals exist for achieving better balance in a more traditional and fiscal manner. It is not as exciting, of course; it is more stimulating to solve the problems through "measures of economic policy."

But no matter how cleverly we utilize the economic tools we cannot in today's situation avoid having to use the fiscal ones as well. We must consequently -- in order to achieve a better balance -- increase income and/or reduce expenditures in the framework of the present international and national economy and the presently valid tax system.

Perhaps we should also remember one thing, namely that the budget proposal is founded on a relatively optimistic evaluation of the social economy ("too optimistic," many say, "unrealistic," some say). The budget proposal is based on 3.6 percent growth and on a rather calm wage and price development. We would not be able to achieve a very much better balance in 1980/81 with a different economic policy.

#### Many Proposals

What can we do about the state income?

We do not encounter very many new suggestions in the current [one or more words missing]. The communist press has a few proposals. It doesn't have to worry about the effects on society, people and companies. This makes it a little easier (in the first few years, at least, as long as society, people and companies function as now). But the proposals would nevertheless increase revenue by only a few billion (which moreover are used by the same press for increased expenditures).

Other than that, what can be done? Some examples:

"There ought to be no tax cuts for high-income brackets." Yes, if we were to pull in all income above 174,000 crowns we would get 300 million more tax revenue. If we were to go lower and set a ceiling at 100,000 crowns we would get close to 2 billion. The latter would (in the first year; what would happen after that I don't know) reduce the deficit somewhat, although it would still be in excess of 53 billion.

"There ought to be a ceiling for deductions." Yes, if we were to set a limit for deductions at 20,000 crowns -- an unreasonably low limit which would have considerable consequences for many people -- we would get 1 billion more in taxes.

"There ought not to be any black market money." It is sometimes said that "tens of billions" disappear. Now, we don't know how much it really is.

But let us assume that better laws, controls and administration would give us a few billion. That would be good, but the deficit is still large.

#### Value-Added Tax on Production Makes Things Worse

The fact is that political and union leaders, economists and mass media have not presented any proposals which would improve the income picture appreciably. The Social Democrats have -- at least previously -- advocated some increased taxes and some new taxes. What they believe this year we still don't know. But a "value-added tax on production" right now would seriously affect growth, employment, wages and prices and thereby lead to a greater budget deficit.

What can we do about state expenditures?

There are some suggestions:

One can for example, take a look at the considerable state subsidies to the municipal regions (about 10 billion). "Keep the municipal regions down," it is said. Because "the spending rate of the regions is too high." And "the government does not do enough to force them to restraint."

There are some proposals in the budget, among others longer realization time for the municipal tax equalization. And there are many comments on that: "Municipal regions on starvation diet." "Sweden's poor municipal regions." Some municipal councillors reproachfully say that "it is base to break promises" (they say nothing about the fact that the regions have not kept their promises of a reasonable rate of growth).

Some speak of "agitation against the municipal regions." And the usual answer from many regions is "now we must raise the tax." It is assured that "there is no irresponsibility in the municipal regions," and that sounds good, at least as far as dealing with economic matters is concerned.

#### Subsidies Eaten Up

Other suggestions for improving revenue are also mentioned. "Food subsidies can be cut by 1 billion." That would get us somewhere. But that money disappears already in the next sentence, for "it would release enough money to improve the standard for the unemployed and for families with children." And in many newspapers it is regarded as something quite incredible that subsidies will not be further raised at this time. Many newspapers contain vivid descriptions of the problems which ensue from the savings in the budget proposal. Some examples:

"An emergency budget, pure and simple." "There will be troubled times." "We are very disappointed." "We must cut down on certain activities, keep things on ice." "It may become necessary for the unions to take strong measures in order to emphasize their justified demands." "The roads are left to decay" (the highway appropriation is about 4.5 billion). "Skane is

treated parsimoniously" similar things are said in all counties/provinces). "Cultural policy -- soon a fart in the wind" (but an expensive one, 1,605 million crowns are allocated for cultural purposes). "The leanest budget we have experienced." And the idea of limiting the activity of the study associations is "without precedent." "The state authorities have not assumed their correct responsibility for the sports movement when they cut out nearly one-third."

### 'Slight Scent of Progress'

There are many, many similar examples. And long lists of wishes for additional appropriations. After reading for a few hours, as dusk approaches, Birger Norman's poem "Instructor With Mixed Chorus" comes to my mind:

"Toward evening a slight scent of progress spreads from submitted proposals for technical and administrative improvements."

Scent of progress, perhaps, although more future problems. If we are to achieve a balance in the economy we must realize that we cannot get all we want. We must give up a few good things.

Because budget work seldom deals with saying yes to good proposals and no to less good ones. It deals with -- and in the future will deal even more with -- saying no to many good and well-founded proposals as well.

As early as 1927 Ernst Wigforss stated in his book "How a National Budget Is Created:" "And as a rule the demands are by no means unreasonable. They can be well defended with good arguments. It is only when they are to be weighed against other demands which are even better founded and finally against the sacrifice which it costs society, that is to say the taxpayers, that they might seem questionable." [One of more words missing] get rid of a few illusions.

### 'New System'

The first illusion is that a tax reform -- "a totally new tax system" -- would solve our problems. We can -- and we must -- improve our tax system, make it more efficient so that there will not be so much "waste," make it more fair so that people feel confidence in it, make it more growth-promoting so that it will become profitable to work and save, make it less inflationary so that we can avoid meaningless wage and price increases.

Extensive work on tax reform is under way. I believe we can make considerable headway. But let us be realistic: There are no new systems which can give us a lot of new money without perceptible problems, without troublesome effects on growth, wages, prices, the willingness to work and so on.

All taxes -- no matter what we call them, no matter how we levy them -- must be paid by the approximately 8.3 million people who live in this country, paid through income, consumption and production. And we must remember that



we already have the world's highest taxes. We cannot go very much further, collect very much more.

#### 'Take From Others'

The other illusion is that limitations are only to affect "others," other groups, other areas. It is "high income groups," it is "homeowners." It is "the defense," "foreign aid," "culture," "Radio Sweden," which are to solve the problems and provide us with a balanced budget.

It is not that simple. It is not enough to make a few groups or areas pay for it. The saving must affect the entire field and the entire national economy. It also says in the budget proposal: "Proposals aimed at more tangibly limiting the rate of increase of the state expenditures must ultimately affect large groups in the national economy."

Some newspapers say about this that "it sounds threatening." But it is and remains the truth. We must save across the whole board. Social evaluations should naturally weigh heavily in the budget work, this is of course why the deficits are so great. But we cannot solve the problems solely by transferring the burden to a few, often small, groups and areas or by believing that growth and other things can solve them in the future.

#### Far to Realism

My conclusion is the following: We can achieve a balanced public economy. But many years of laborious work are needed. And far more realism is required of parties, organizations and mass media, of all of us, if we are to attain balance. It seems as if we still have quite a long way to go!

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CSO: 3109

## BLIX SAYS AID FOR BAI BANG PROJECT WILL CEASE BY 1984

Stockholm SVENSKA DAGBLADET in Swedish 15 Jan 80 p 5

[Article by Omar Magnergard: "In 1984 Swedish Aid to Bai Bang Will Cease"]

[Text] "As far as Sweden is concerned the Bai Bang project ought to be completed by 1984," State Secretary Hans Blix states.

The paper and pulp factory in Vietnam is perhaps the one of our aid projects which has been the most criticized and the most surrounded by rumors.

The first time the Swedish people and Parliament heard of Bai Bang was at the beginning of the 1970's. At that time it was to cost 500 million crowns.

But the crowns have flowed and today the investment is well over three times that amount. Hans Blix confirms: 1,600 million crowns.

In 1974 our then government signed a contract with the Vietnamese "for an unspecified period."

The government will now put an end to this automatically renewable agreement through a new one this summer. The new one will be for 3 years. That is to say the time it is expected to take to break in the now practically completed factory.

"From 1984 onward the Vietnamese will be able to manage the factory by themselves. We must remember that to them the entire construction period has simultaneously constituted a gigantic vocational school," Hans Blix says.

In the foreign aid budget presented last Thursday the aid to Vietnam has been cut from 400 to 365 million crowns. During the next 3 years a gradual reduction of that amount may be anticipated.

By agreement the new contract will also contain a passage that the Vietnamese must purchase pulp for Bai Bang from Sweden.

## Forty Percent Back

For several years Sweden has internationally boosted the idea of reducing the fixed aid. But no one has joined with us. This is why the share of fixed aid in this year's budget is unchanged at 14.8 percent. That implies that the underdeveloped nations are to buy goods in Sweden for 740 of the millions with which we help them.

"We expect that 40 percent of the aid will be returned in the form of orders for industry and to some extent through the fact that the underdeveloped countries use Swedish knowhow in various fields."

## Aid to Uganda

Just as Ola Ullsten, Hans Blix is disappointed that the rich industrial world is not keeping its promises and giving the agreed-on 0.7 percent of its gross national product to those who need it more (Sweden gives 1.014 percent). The oil crisis, for example, has made the situation very troublesome for the very poor and non-oil-producing underdeveloped nations.

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## LO REVALUATION PROPOSAL WORTH CONSIDERING

Stockholm DAGENS NYHETER in Swedish 15 Jan 80 p 2

[Editorial by SN: "Lost Years for the Crown"]

[Text] Limit inflation in 1980 to five percent! This demand by the Social Democrats and the LO [Swedish Federation of Trade Unions] is an important signal to the government and the employers before the wage negotiations. A price development of a maximum of five percent is out of the question if wages are to be increased at the rate of the 1970's. What the LO is making clear, without expressly saying so, is that in principle they are ready to accept a lean wage agreement.

But certain conditions must be fulfilled. Otherwise the wage demands will be at a two-digit percentage level, Gunnar Nilsson has previously said.

According to the Social Democrats and the LO inflation is to be kept down to five percent through, among other things, "an active exchange rate policy." This means that we safeguard ourselves against international inflation by revaluing the Swedish crown.

The government is thinking along the same lines in the finance plan. A good exchange balance would make it possible "to insulate ourselves to a certain extent against international price fluctuations through a gradual policy of appreciation." Appreciation (or revaluation) is the same as increasing the value of the crown.

It takes time for good ideas to mature. The idea of revaluation as a component of stabilization policy was advocated by many in 1974, when we had an excellent cost situation compared to other countries. In that way the overheating and the sliding-scale wages could have been kept down during the economic boom. At the same time the wage movement for 1975 and 1976 could have been conducted on the basis of a Swedish stabilization goal, for example a maximum of five percent inflation.

The politicians with Gunnar Strang at the head took a negative position. (Gosta Bohman was the only one to cautiously announce a divergent opinion.)



The external value of the Swedish crown was not allowed to change. The wage movement thereby came to be based on loose speculations around the international price development for 2 years to come. Unfortunately, the speculations were wrong and this was the principal reason for the cost crisis which followed.

However, the debate created insight into the fact that the purchasing power of the crown cannot be stabilized if we are not prepared to change its external value. After 5 years and 60 percent inflation the LO, Social Democrats and the government are prepared to discuss solutions which were not taken seriously the last time the matter was of current interest. The depreciation of the monetary value has caused increasingly shocking damage, both directly and indirectly, through the taxes. It arbitrarily moves capital and income from the weaker to the stronger, it favors speculation and luxury consumption with borrowed money at the expense of the savers. It dulls the price consciousness of the consumers and overthrows most economic calculations, among others the calculations on which the wage earner organizations must found the wage policy.

According to OECD experts, 1980 will be a year with high inflation. Prices of industrial goods in international trade are expected to rise by nine or ten percent. If we let this price wave wash in across our borders through import and export, 1980 as well may become a lost year for the monetary value. The shortsighted profits of the export companies will rapidly be consumed by wage increases which are unlikely to stay below the ten-percent level.

We cannot do much about prices in the world surrounding us. The price of oil is determined by OPEC. But only we determine how much a crown is to be worth for purchasing in Swedish stores. No one forces us to imitate the economic failures of others, to build the unresolved social conflicts of other countries into our own social system.

In order to revalue the crown we must be careful with the exchange balance. But the author of the financial plan goes too far if he sets the condition that we must bring the trade balance deficit down to zero. Sweden must carry its share of the joint deficit of the industrial nations vis-a-vis the oil-producing countries, and the stabilization policy may not be postponed into the future.

Olof Palme's and Gunnar Nilsson's thoughts regarding an active exchange rate policy and a maximum of five percent inflation is a feeler to which the government has every reason to respond. The positions may perhaps not be as incompatible as it sometimes sounds.

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## MILITARY SCIENCE ACADEMY IN FIRST COMMENT ON A BUDGET: STOP CUTS

Stockholm SVENSKA DAGBLADET in Swedish 15 Jan 80 p 2

[Article by Axel Waldemarsson: "Sweden Between the Major Powers"]

[Text] For the first time the Military Science Academy (KKrVA) has been given the opportunity to express its opinion of a defense study. The now submitted opinions on the memorandum of the 1978 defense committee regarding Swedish security and defense policy also constitutes a valuable contribution to the defense debate which in order to fulfill its duty must assume firm and responsible forms.

It is always very easy to be wise after the event but there is weight in the remark that the defense committee has scarcely dealt with the situation which is created if the efforts of the 1970's toward detente were to weaken. If the security-political risks were underestimated earlier the consequences will naturally become all the more serious if the tension between the super-powers increases instead of decreases.

What conclusions can we draw from this?

They do not need to imply that we must refrain from our efforts to promote peaceful development. On the contrary; but in addition these efforts -- as the KKrVA emphasizes -- are well compatible with a comprehensively composed defense as a support for the alliance-free policy.

The academy's analysis of stability in the Nordic countries constitutes a particularly interesting section. Within these countries greater responsibility rests on Sweden than what is normal for a minor nation.

"A continued weakening of the Swedish defense -- just as of the defense in the other Nordic countries -- could cause the major powers to alter their considerations."

This could lead to the stationing of foreign units on Nordic soil, something which Swedish foreign policy in the postwar era has contributed to prevent. In such a situation the risk increases that we will be pulled into the conflict.

Finland's status and integrity rest on, among other things, the trust of the Soviet Union that the West bloc does not have or cannot easily get access to Swedish territory, that is to say that Sweden is fully capable of protecting its neutrality with its own forces. The defense of Norway and Denmark presumes, among other things, that the East bloc cannot use Swedish territory for acts of war aimed against them.

Here as well trust in the strength of Swedish defense is an essential element.

It is important that this Nordic aspect will not get lost in the defense-political debate.

The strategic importance of the top of the Scandinavian peninsula becomes increasingly obvious even to Swedes who are normally not very interested in our security policy. This applies equally much to the Baltic outlets.

Our oblong country -- a lock between West and East -- creates special problems through its geographical structure. The surface to be defended becomes very large.

It is an enormous task to, as it is usually called, defend the entire country. Wouldn't it be enough to repel in the north and the south?

But -- it isn't certain that the major powers divide Sweden into the same parts as we ourselves usually do. It is more probable that the Nordic countries are regarded as a rather homogeneous area.

The Military Science Academy emphasizes that even the central parts of Sweden -- with the concentration of command centers, population, industrial and economic activity and communications -- is a tempting target for an attacking major power:

"The role played by the capital in a surprise attack must not be underestimated. Then there are air fields/air bases and ports/natural anchorages which can offer valuable base opportunities for both major power blocs."

I have mainly -- for reasons of interest area and space -- dwelt on the Nordic aspects of the analysis by the Military Science Academy. From this it is also evident with desirable clarity that great importance must be attached to Sweden's defense-political role in Nordic connections.

For the Defense Committee proposed that the phrase "Defense against invasion is to be the most important task of the military forces" should be deleted from the objective of the total defense. The KKrVA reacts against this. A change in the wording could lead to misjudgement by the surrounding world of the desire for a decisive defense or as an expression that we want to reduce our defense capability considerably.

Without Sweden's contribution the so-called Nordic balance would be lost and the strategic situation in our part of the world would be altered.

## SAAB TO OFFER NEW FIGHTER-BOMBER PROJECT DESIGN

Stockholm SVENSKA DAGBLADET in Swedish 13 Jan 80 p 4

[Article by Erik Liden: "Yet Another Aircraft Project: Three Planes Become One"]

[Text] Saab's aircraft division in Linkoping will shortly be able to present a new fighter aircraft as a combined successor to the Viggen in the 1990's. The project is built on foreign cooperation.

Along with the delayed BJA-A38 studies, Saab's development technicians have in secrecy taken a look into the future. The Saab leadership has clearly known that if the aircraft division is to survive, a less expensive aircraft is required with modern technology based on readymade components and foreign development cooperation.

At Saab's development division it was confirmed to the SVENSKA DAGBLADET that drawings for the plane which is called JAS, a new pursuit-attack-reconnaissance plane, that is to say a successor to all three Viggen versions, will shortly be presented to the national authorities and the military leadership.

The aircraft is based on Viggen, Draken and the U.S. F16. It is to be considerably lighter than Viggen, about 50-60 percent of the weight of Viggen. It will cost 60 percent of the price of Viggen, which is a prerequisite for being included in the increasingly tight defense framework.

## Cheaper Than F16

The aircraft will have a delta wing with a movable canard wing and will have short takeoff and landing characteristics. It can be equipped with extensive armament of missiles, bombs and rockets with modern radar and target-seeking equipment. It will be completely adapted to Swedish needs and to the new air force base system which is founded on mobile bases in which more and more ordinary highways are utilized.



The new Saab aircraft will be a distinctly cheaper alternative than the F16. The uncertainty in the project is the difficulties of purchasing readymade modern technology from the NATO countries in Europe, for example. It is also uncertain how large a share of the development work will be allotted to Sweden.

Saab needs development orders in order to be able to fulfill its civilian cooperation projects; this week the light commercial 30-passenger aircraft will be presented which Saab intends to develop in cooperation with a U.S. company.

The aircraft industry delegation intends to propose loans with conditional clauses in the amount of billions in order to help Saab and Volvo Aircraft Engine, among others, with civilian projects. Saab has previously received civilian manufacturing orders for the DC 9, among others.

Provincial Governor Bengt Norling heads the military aircraft industry committee which in September is to submit proposals to the government. He says to the SVENSKA DAGBLADET:

"We are studying how the aircraft industry is going to shrink but yet function in a sensible manner. We meet with all who are involved, including personnel, Saab this week and Volvo Aircraft Engine on Monday. The openness is complete and affected industries realize the limited economic space. Personally, I want to say that I believe in a Swedish aircraft industry in the future as well.

"If the state can spend 12 billion on the shipyards, aircraft technology, which is interesting and at a high level of knowledge, ought to be able to get its share, benefiting the defense and society. We need advanced technology in Sweden.

"It is too early to say which aircraft will suit Sweden best in the future, the SK2, bought from abroad, or Saab's new idea. We were in any case impressed by the drawings we were shown. During the spring we ought to be able to submit, after the Chief's of Staff and the government's evaluations, a preliminary plan of what the entire aircraft industry will look like at the turn of the century. However, it is tremendously essential that a political decision regarding what course to take will be made as soon as possible. The industry is greatly concerned about a new postponement."

At Saab one is of the opinion that smaller aircraft are here to stay. The technology becomes cheaper, not least the electronics, but even so the aircraft of the 1990's will be a project in the 15-billion class, spread over 20 years. Saab believes that the political desire to go forward will become decisive for whether this aircraft as well will remain on the drawing board.

Defense Minister Eric Kronmark (Cons.) does not want to comment on Saab's ideas right now, but wants to await the opinion of Chief-of-Staff Lennart Ljung on the aircraft issue on 1 February.

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## BRIEFS

VOLVO SEARCH FOR OIL--Volvo has been granted permission by the Norwegian government to search for oil outside Norway. On Friday the Norwegian Energy and Oil Department granted Volvo a 10 percent share in an oil bloc called Haltenbanken northwest of Trondheim. The area is judged favorable from the viewpoint of prospecting, and Volvo Petroleum, a subsidiary of Volvo, can begin searching for oil and gas as early as this summer. In addition to Volvo, participants in the bloc are the Norwegian oil companies Statoil (state-owned company which gets a 50 percent share in the bloc), Saga Petroleum (private company, gets 10 percent), Norak Hydro (semi-state owned company, 5 percent) and French Elf (20 percent). If Volvo finds oil or gas in the area production can get under way in 6 years. State-owned Swedish Petroleum had also sought the rights to look for oil outside the Norwegian coast through its subsidiary Swedish Petroleum Exploration AB. "Obviously, we did not obtain a share of any bloc in this distribution," director Bengt Holagren at SP Exploration says. [Text] [Stockholm DAGENS NYHETER in Swedish 19 Jan 80 p 28] 11949

CSO: 3109

## PRO-TKP UNIONS REPORTED MOVING TO CONTROL DISK LEADERSHIP

Istanbul AYDINLIK 16 Turkish 16 Jan 80 p 4

[Text] It has been learned that DISK [Confederation of Revolutionary Worker Unions] will hold an extraordinary general council meeting at the end of March.

It is reported that the date of the general council meeting, which would normally be held in December 1980, has been moved forward because of recent developments within DISK. As is known, following their temporary expulsion from DISK, TKP [Turkish Communist Party] partisans Maden-Is [Turkish Mine, Metal, Metal Works, and Machine Industry Workers Union], Bank-Sen [Bank Workers Union], and Baysem [Ministry of Public Works Directorate General of Construction Activities Workers Union] continued actions aimed at obtaining control of the DISK administration and engaged in an intensive propaganda campaign in order to be reinstated in DISK.

Concurrent with the tactic of "united action" initiated recently by the TKP, the DISK administration softened its stand against these unions. Subsequently, DISK Secretary General Fahri Isiklar announced that the expelled unions will definitely be reinstated when the 1-year expulsion period ends.

It is being reported that the reinstatement of the three unions that support DISK and the question of their wish to share in the administration will again be placed on the agenda and that an extraordinary general council will convene in order to reach a definite solution on these issues.

In fact, when "detente" with the DISK administration began, the unions that follow the TKP line intensified their propaganda saying that "most of those within the DISK administration have no grass-roots' following" and began to insist that there be "a new administration that creates a balance of powers in the DISK structure."

Recently, Maden-Is administrative council member Mehmet Karaca repeated this idea in a statement in the weekly journal YANKI and said, "The creation of unity within DISK requires the formation of a leadership that represents the grass roots."

The TKP's goal is to have at least two-thirds of the people on the DISK administrative council with one person from both Maden-Is and Bank-Sen and, in this way, to contain Basturk's influence.

TKP members employed an identical tactic to Kemal Turkler in 1975 when he was chairman general and, in the end, made Turkler give up completely.

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CSO: 4907



## MADEN-IS SEEKS 'UNITED ACTION' LED BY DISK

Istanbul CUMHURİYET in Turkish 21 Jan 80 pp 1,11

[Text] The Maden-Is [Turkish Mine, Metal, Metal Works, and Machine Industry Workers Union] General Representatives Council has reached a decision to transform into "united action" the battle that will be waged, along with independent unions and other confederations and under the leadership of DISK [Confederation of Revolutionary Worker Unions], against antidemocratic pressures, against new repressive laws that are being drafted, against members of the DGM [State Security Court], against MESS [Metal Products Industrialists Union], and against unjustifiable arrests that trample human rights. The transformation to united action in business regions and at businesses at which unions have established "united action" is, in addition, related to the decision "to prepare for the possibility of a specific strike against MESS."

Unionists were joined by worker representatives from all the businesses included in the union at the Maden-Is general representatives council meeting that was held at the Sport and Exhibition Palace in Istanbul. DISK Acting Chairman General Nukbil Zirtiloglu, who attended the meeting, asked that officials from unions belonging to DISK as well as democrats, progressives, patriots, and socialists who are under arrest be set free. Zirtiloglu, who called for unity of action among democratic powers and persons, said:

"At such a turning point in history, no one has the right to engage in a policy that would award a prize for dividing democrats, revolutionaries, or socialists. There is no place for timidity nor indecision. Our working class, which carries out production, will resist these attacks in a manner befitting the traditions of the struggle that is waged by examining closely the 15 and 16 of June, DGM directives, 1 May, and 20 March."

Maden-Is Acting Chairman General Murat Tokmak asserted that the dimensions of the repression and attacks, which go so far as to have union officials arrested, are increasing with every passing day. He said, "All democratic forces are compelled to act quickly to take a stand against all forms of repression and attacks."

Tokmak, who claimed that the battle waged against MESS will end in the favor of the working class, concluded by saying:

"Opposing us, once again, are MESS, the DGM, and new repressive laws. However, there is one thing they have forgotten and that is that the controls are in our hands. Democratic and union rights and freedoms, which are already restricted, are endangered. Work is being conducted to restrict further the areas of activity and the organizing of the working masses. With the Justice Party government, the fascist ascent has been accelerated, and another operation to bring fascism back in to state affairs has been begun. While all this is occurring, what is wanted is to place the burden of the economic crisis on the shoulders of the working class. We cannot bear this burden. We will continue the struggle against the patrons of MESS."

Speakers at the meeting, Textile Union Chairman Ridvan Budak, Bank-Sen [Bank Workers Union] Secretary General Yucel Cubukcu, and Petkim-Is [Petroleum and Chemical Workers Union] administrative council member Esref Okumus, asked that administrators of DISK member unions be set free. The speakers ended their talks with these questions, "Did they rob or steal? Did they engage in smuggling, using guns? Did they stockpile and hoard cooking oil, pharmaceuticals? Did they murder scientists? Did they bomb coffeehouses? Did they smuggle heroin? Why have they been arrested?"

The Maden-Is general representatives council meeting recessed following the making of the decision "to organize a multifaceted campaign throughout the nation in order to have the arrested unionists set free; to use all forces in a strike against MESS, whose position is negative; and to promote, under DISK leadership, a democratic battle and unity of action."

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## BRIEFS

GENDARMERIE GENERAL COMMAND--During the past 5 years, units attached to the Gendarmerie General Command have confiscated 494 rocket launchers, 496 rockets, 13,600 pistols, and 8 million bullets. In its 1980 fiscal year activities report, the Ministry of Interior Gendarmerie General Command noted that, within the last 5 years, 465 infantry rifles, 416 automatic rifles, and 94 machine guns were seized making a total of 14,575 guns that were confiscated. The report stated that in 703 smuggling incidents, 1,179 smugglers were apprehended -- 11 of these were wounded and 13 were killed in clashes -- and 183 persons escaped. In a statement made by the Ministry of Interior Press and Public Relations Advisory Office, it was announced that, in the last 15 days, 1,329 persons have been arrested by the police for various crimes. Of these, 168 are suspected of murder, 16 of armed robbery, and 18 of smuggling. [Text] [Istanbul CUMHURIYET in Turkish 14 Jan 80 pp 1,11] 11673

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